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# Report of the Provincial-Municipal Social Services Review



Association of Municipalities  
of Ontario



Ontario Municipal  
Social Services Association



Ministry of  
Community and  
Social Services

Ontario

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# Report of the Provincial-Municipal Social Services Review

Prepared for the Ontario Ministry of Community and Social Services  
*Toronto 1990*



Ontario Municipal  
Social Services Association



Ministry of  
Community and  
Social Services

# Report of the Provincial-Municipal Social Services Review





## PROVINCIAL-MUNICIPAL SOCIAL SERVICES REVIEW

- Association of Municipalities of Ontario
  - Ontario Municipal Social Services Association
  - Ministry of Community and Social Services
- 

*February 1990*

The Honourable Charles Beer,  
Minister, Ministry of Community and Social Services,  
6th Floor, Hepburn Block, Queen's Park,  
Toronto, Ontario M7A 1E9

Dear Mr. Beer:

We are pleased to submit the final report of the Provincial-Municipal Social Services Review.

We believe that this review of provincial and municipal responsibilities for social services was both necessary and timely. We appreciate the opportunity that has been afforded to us to take a fresh look at how the social service system should be managed and funded.

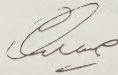
Our tripartite committee was appointed in May 1987 by the then Minister of Community and Social Services, the Honourable John Sweeney, in cooperation with the Association of Municipalities of Ontario and the Ontario Municipal Social Services Association.

We found our mandate to be a challenging one, particularly since our review covered such a range of services and dealt with a number of complex issues. Our work included extensive research and public consultation.

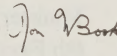
We are indebted to the many organizations and individuals who gave of their time and expertise at the various stages of the review process. We are also grateful for the forbearance of all those who have waited patiently for the release of this report.

This report recommends a new framework for provincial-municipal roles and responsibilities in the social service system. It is our hope that our recommendations will help to strengthen the provincial-municipal management of the system to the benefit of all those involved in social services.

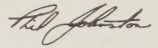
Yours sincerely,



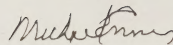
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Co-Chair, MCSS



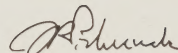
Ron Book  
Co-Chair, AMO



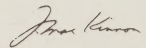
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Michael Ennis  
MCSS



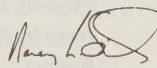
Richard Picherack  
AMO



John MacKinnon  
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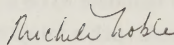
Sandra Lang  
MCSS



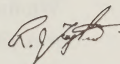
Nancy Smith  
AMO



Alan Wells  
OMSSA



Michele Noble  
MCSS



Roger Taylor  
AMO

### *Dedication*

#### **John G. Anderson**

The members of the Provincial-Municipal Social Services Review Committee wish to dedicate their final report to the memory of John G. Anderson.

John was involved in public service at the municipal, provincial, and federal levels for more than 35 years of his life. He began his social service career with the federal Treasury Department for Family Allowances in 1945 following wartime naval service. After obtaining a Bachelor of Arts degree from the University of Toronto, John became employed by the Ontario government's Department of Public Welfare in 1952, where he held the positions of field worker, district administrator, and director of General Welfare Assistance. From 1966 to 1974 John served as commissioner of social services for Metropolitan Toronto, consolidating 13 separate welfare administrations. In 1974 he returned to the provincial government as assistant deputy minister for the Ministry of Community and Social Services, where he served until taking early retirement in 1982 to begin a new career with the Ontario Municipal Social Services Association.

John was actively involved with OMSSA and serving as a senior advisor to this Committee at the time of his sudden death in March 1988. The loss of John has been deeply felt personally and professionally by committee members and staff as well as by his family, friends, and colleagues.

During his life, John made significant contributions to the development of social services that continue to benefit those in need across the province. His integrity, commitment to the well-being of



others, and advocacy on their behalf will continue to be an inspiration.

---

Elsewhere in the report we have acknowledged those who contributed in so many valuable ways to this review. However, the Committee wishes to express its special gratitude to the following senior staff for their unique contributions:

To Debbie Oakley, our project manager, who not only managed so competently every phase of this extensive review but also provided the Committee with the benefit of her deep understanding of the issues facing the provincial-municipal relationship.

To Trinela Cane, for her strong leadership in our consultations across Ontario and her support to the research in the early phase of our discussions.

To Faye More, for the research and analysis that she provided in the development of the new service management framework.

To John Nywening, for managing the extensive funding analysis that supported our deliberations.

To Lynn Morrow, who provided the important link between OMSSA and the committee process as well as the research and analysis behind our recommendations in the planning chapter.

To Bev Allen, for her vital role linking AMO and the committee process.

And finally, our very sincere thanks to Cheryl Hamilton, for her enormous contribution in the writing of our final report.



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# Provincial-Municipal Social Services Review Committee Membership

## **Association of Municipalities of Ontario**

### **Ron Book (Co-chair)**

*Mayor, Town of Grimsby, Regional Municipality of Niagara*

### **Richard Picherack**

*Commissioner of Community Services for Metropolitan Toronto*

### **Nancy Smith**

*Councillor and Chairman of Social Service Committee,  
Regional Municipality of Ottawa/Carleton*

### **Roger Taylor**

*Former Mayor, Town of Elliot Lake*

## **Ontario Municipal Social Services Association**

### **Phil Johnston**

*Commissioner of Social Services, Regional Municipality of Waterloo, and  
Former OMSSA President*

**John MacKinnon**

*Administrator of Social Services, Huron County, and Member of the OMSSA Board of Directors*

**Alan Wells**

*Commissioner of Community Services, Regional Municipality of York, and Former OMSSA President*

**Ministry of Community and Social Services****Colin Evans (Co-chair)**

*Executive Director of Strategic Planning and Intergovernmental Relations*

**Michael Ennis**

*Regional Director, Central Region*

**Sandra Lang**

*Executive Director, Community Services Division*

**Michele Noble**

*Assistant Deputy Minister, Operations Division*

# Executive Summary

The Provincial-Municipal Social Services Review (PMSSR) Committee recommends new roles and responsibilities for the provincial government and the municipalities in the area of social services. This report proposes a new framework for provincial-municipal management of the social service system that clarifies and realigns the responsibilities of the two levels of government. If adopted, the changes will have a significant impact on how the system plans, how services are managed and delivered, and how they are funded.

The 11-member PMSSR Committee was appointed in May 1987. It consisted of four members representing the Ministry of Community and Social Services (MCSS), four members representing the Association of Municipalities of Ontario (AMO), and three from the Ontario Municipal Social Services Association (OMSSA). The PMSSR Committee was directed by its terms of reference to review the social service system in Ontario, from the perspective of the roles of the province and the municipalities, and to suggest "a more rational framework" for a realignment of responsibilities.

Extensive consultations were conducted as part of this review. A discussion paper was released; 98 briefs were received; and about a thousand people attended 13 consultation workshops across the province. In view of the important contribution to the system of voluntary-sector organizations, a reference group with represent-

ation from a cross-section of these organizations was asked to provide advice to the Committee.

This review was carried out in the context of a social service system that is evolving to meet the changing needs of society; many programs in the system are being reformed to respond to new strategic directions and challenges. It is recognized that the diverse network of services that make up the social service system requires improved coordination and planning to help the system function more effectively and to make the best use of available resources. The current roles and responsibilities for providing and funding services were established in the 1960s and have not undergone a major overhaul since then. We conclude that it is time for a fundamental rethinking of the way the system is managed and funded.

This report deals with three major topics: provision of services, including their management and delivery; funding arrangements to support management and delivery; and system-wide planning, particularly at the community level.

## Principles

The Committee developed eight principles for managing the system. These principles are intended to lead to a better-managed, more effective, and more responsive social service system and to support and reinforce a good working relationship between the two levels of government.

1. The provincial government and the municipal sector have joint responsibility for managing the social service system to maximize its effectiveness and efficiency.
2. Each party's roles and responsibilities should be clear and consistent with the capacities of the level of government that assumes them.
3. Authority must be commensurate with responsibility and accountability.



4. There should be a balance between equity in Ontario's social service system and the need for flexibility at the local level.
5. Community involvement is an essential component of the planning and management of the social service system.
6. Planning and coordination of services must be promoted and increased.
7. Consultation must characterize all relationships within the system.
8. Fiscal realism must be recognized as an important factor in decision-making.

These principles were used by the Committee as a basis for decision-making, and the Committee suggests that they should continue to be used in future as guidelines for managing, funding, and planning the system as it evolves further.

## Defining Roles and Assigning Responsibilities

The Committee approached roles and responsibilities in the provision of services by defining three distinct roles.

**Legislation and Policy Development:** This role includes development of legislation, policies, and programs, and the setting of strategic directions, objectives, and standards for services for the province as a whole.

**Service Management:** This role includes decision-making authority for the quality and quantity of service, within the context of available resources and in accordance with provincial legislative and strategic policy directions. It includes responsibility for:

- setting goals, objectives, and priorities for services;
- developing local policy and program design;

- determining the means by which a service is delivered;
- planning for operations and resources, including setting priorities and making allocations;
- the establishment, control, and monitoring of operating standards for services, in accordance with provincial strategic directions;
- ensuring efficient and effective service delivery.

**Service Delivery:** This role refers to the day-to-day provision of specific services to clients. Delivery may be undertaken directly by an organization's own staff or by contracted services. The delivery agent is accountable to the service management authority (the service manager) for the effectiveness and efficiency of the service. The delivery agent must carry out the requirements for the service, as established by the manager, and is accountable to the manager for program effectiveness and how funds are spent.

The Committee determined that the Ministry of Community and Social Services must be responsible for legislation and policy development for the social service system. The government of Ontario has the legislative mandate for social services and the scope to establish policies for all regions of the province. If we are to have a province-wide system, there must be some central direction. The Committee recommends that MCSS carry out its responsibilities in consultation with municipalities and other participants in the system.

In the Committee's view, legislation and policy development and service management must ultimately be the responsibility of government, because of the need for accountability to the public for services and resources. Delivery, on the other hand, could be performed by a range of service providers, since we have recommended that the delivery agent be accountable to the service manager for the effectiveness and efficiency of the service.

The service manager's role is a pivotal one because management involves responsibility for quality, quantity, and delivery of the service, within the constraints of provincial legislative and strategic policy directions and resource availability. Concerns about the current system do not tend to be at the delivery level where caseworker meets client; they are at the decision-making level. It is here that the Committee feels the most improvements can be made.

The service manager could be the province or a municipality. Later we discuss our rationale for assigning the service management role to one level of government or the other. The Committee also had to consider which level of municipal government should assume the service management role when it is appropriately a municipal responsibility.

Economies of scale and the need for coordination and planning across a broad geographic area led the Committee to decide that management of social services in southern Ontario is most appropriately carried out by the upper-tier municipal level (regions and counties). Counties and separated municipalities should develop cooperative arrangements for the service management role through either mutual purchase-of-service arrangements or joint committee structures. In northern Ontario, service management in the municipal sector should be assumed by regions and district cities where they exist. In other areas of the North, MCSS should take on the role of service manager.

In considering which level of government should fulfill the service management role, the committee paid particular attention to the need for clarity and disentanglement of provincial and municipal roles, the history of municipal involvement in certain service sectors, and the balance between local flexibility and provincial regulation. The latter involved looking carefully at whether a service requires provincial controls to be consistently managed across the province, or whether it would be more beneficial to have a variety of local adaptations.

Other social services are provided by the voluntary sector outside the government-managed network. Voluntary organizations may receive some government grants for these services, but they are mainly supported by charitable donations. The organizations include advocacy groups that lobby on behalf of the disadvantaged, self-help groups, community development and planning organizations, and others. These services make an invaluable contribution to community life, particularly in the area of innovative new services. Since they function best without formalized guidelines or regulations, the Committee concludes they should remain outside the provincial-municipal management framework and the focus of our report.

## Funding Considerations

Concern about provincial-municipal funding arrangements in the social service system was one of the major reasons this review was initiated. Both levels of government share concerns about the rising costs and unnecessary complexity of these arrangements.

From the municipal perspective, it is vital that municipalities should not be placed in a position where they must cost-share services over which they have no real authority. Municipalities also have major concerns about their varying capacities to fund social services. AMO and OMSSA consider that the sharing of financial obligations has been historically inequitable and has recently deteriorated. They argue that the municipal sector pays a greater share of social service costs than it should.

From the provincial perspective, it is vital that the outcome of new cost-sharing arrangements reflect the same relative financial balance between the province and the municipal sector that exists under present arrangements. If that balance is not achieved within social service expenditures, offsets must be found in other provincial financial transfers to municipalities.

The funding arrangements proposed by the Committee do not affect the contribution of the voluntary sector. We do, however, recommend that MCSS provide community grants to municipalities, on an appropriate per-capita basis, to assist in funding services provided by voluntary-sector organizations outside the government-managed service system.

In coming to grips with funding recommendations, the Committee endeavoured to make a clear link between service management and cost-sharing, to simplify funding ratios, and to remove funding anomalies. Particular attention was paid to the fiscal capacity of the municipal sector as a whole, and of individual municipalities.

The Committee tested its recommendations against actual expenditures in 1986 (municipal fiscal year) and 1988-89 (provincial fiscal year) and against potential future spending on social services in order to assess their impact.



## Service Envelopes: Assigning New Roles

The Committee defined five service envelopes for the purposes of assigning the service management role and funding responsibilities:

- children’s services
- income and employment support services
- facility-based care for persons with developmental disabilities
- child care
- community-based support services

### Children’s Services

<b>Management Responsibility:</b>	<b>Provincial</b>
<b>Funding Responsibility:</b>	<b>Provincial 100%</b>
<b>Delivery Responsibility:</b>	<b>Provincial or Voluntary-Sector</b>

- child welfare
- child and family intervention
- child treatment
- child development
- community support
- young offenders

The Committee recommends that MCSS provide service management for the envelope of children’s services, including child welfare. Municipalities should no longer be required to participate in management or funding of Children’s Aid Societies.

Most of the services in this envelope require a high degree of provincial regulation, because there must be consistent safeguards for all children across Ontario. In addition, municipalities have currently only a nominal management role through membership on Children’s Aid Society boards because the Societies are primarily answerable to MCSS. This is an opportunity to disentangle provincial and municipal roles. Municipalities should be relieved of their current obligation to pay 20 per cent of CAS budgets.

As service manager, MCSS would be responsible for delivery. However, given that existing delivery arrangements between MCSS and voluntary organizations for children’s services are working suc-

cessfully, the Committee recommends that these delivery arrangements continue in future, and that the role of the voluntary sector be preserved and encouraged.

## **Income and Employment Support Services**

### *Income Support Services*

<b>Management Responsibility:</b>	<b>Provincial</b>
<b>Funding Responsibility:</b>	<b>Provincial 100%</b>
<b>Delivery Responsibility:</b>	<b>Municipal</b>

- General Welfare Assistance
- Family Benefits Allowance
- Supplementary Aid
- Special Assistance

The income support program provides the necessities of life to individuals and families, and all persons in need must be treated equally, regardless of where they live in Ontario. Therefore, this program must be highly regulated and standardized across the province; it is not conducive to local flexibility.

The province has stated that it will introduce new social assistance legislation that will integrate General Welfare Assistance (GWA) and Family Benefits Allowance (FBA). We support this plan and recommend that MCSS be the service manager for a new income support program that will include GWA, FBA, Supplementary Aid, and Special Assistance.

Currently, GWA is delivered by municipalities and FBA by MCSS, with a few exceptions. We recommend that the new program be delivered by municipalities at the level of regions, counties, and northern district cities. Where these municipal structures do not exist (in parts of northern Ontario), MCSS may contract with District Welfare Administration Boards or with other agencies, or may deliver the program itself.

The Committee concurred with the Social Assistance Review Committee (SARC) in its assessment of the advantages of municipal delivery, which include capitalizing on the tradition of municipal in-

volvement and promoting closer contacts with and accountability to the local community.

Municipalities should deliver the program on a mandatory basis under contract with MCSS; the Committee recommends that the Ministry and AMO negotiate a model service delivery contract to resolve major issues, such as how much latitude the delivery agent would have to set case standards or staffing ratios.

The Committee makes a separate recommendation on delivery of income support to persons with disabilities. The SARC report said that these clients should become part of a new national disability pension and insurance scheme, and that they should continue to be served by MCSS in the interim. The PMSSR Committee feels that unless the prospect is imminent for implementation of some kind of special program for disabled persons, these clients should receive services from the same delivery agent as other income support clients.

Income support allowances and benefits, including the costs of Supplementary Aid and Special Assistance, should be assumed 100 per cent by MCSS. Municipalities should be relieved of their current cost-sharing obligations, which include 20 per cent of GWA benefits and of Supplementary Aid and 50 per cent of Special Assistance. Income support is one of the few components of the Canadian income security system that are not fully funded by senior levels of government in Ontario. It is one of the least appropriate programs to be funded from the property tax because costs tend to rise at times when local governments are least able to afford an increase. Income support must be available, on an equitable basis, to anyone who is eligible across Ontario and should not depend on the revenue-generating capacity of an individual municipality.

*Cost of Administration: Unresolved*

<b>AMO Position</b>	<b>Provincial</b>	<b>100%</b>
<b>OMSSA Position</b>	<b>Provincial</b>	<b>75%</b>
	<b>Municipal</b>	<b>25%</b>
<b>MCSS Position</b>	<b>Provincial</b>	<b>75%</b>
	<b>Municipal</b>	<b>25%</b>

The Committee did not come to an agreement on the issue of whether municipalities should contribute to the costs of administration of income support.

The SARC report recommended that municipalities should contribute to administrative costs. SARC supported municipal delivery of the income program but added that municipalities must first be willing to assume the role and demonstrate a capability to take on the responsibility. Under the SARC model, some municipalities might choose to deliver the program while others might not. In order to avoid a disincentive to municipal delivery, SARC said all municipalities should contribute to the costs of administration, whether they delivered or not. SARC asked the PMSSR Committee to work out a specific cost-sharing proposal that took this into account.

The PMSSR Committee has taken a slightly different approach. The Committee does not support a system where municipalities can choose not to deliver the program. This report recommends that municipalities be the delivery agent across the province. Where viable municipal structures do not exist (as in parts of northern Ontario), MCSS should contract for delivery or deliver the program itself. Once a model service delivery contract has been negotiated by MCSS and AMO, municipal delivery should be mandatory.

The three organizations represented on the Committee presented different views on the issue of cost-sharing administrative costs:

- AMO representatives believe that requiring cost-sharing of administration compromises AMO's goal of disentanglement. Disentanglement means that municipalities should no longer be held financially accountable for programs over which they have no management authority. Income support is under MCSS manage-

ment and should be totally an MCSS financial responsibility. AMO also argues that municipalities do not need to make a financial contribution in order to be effective delivery agents for the program because the proposed contract would set out conditions for delivery.

- OMSSA representatives are strongly in favour of municipal delivery and support cost-sharing of administration on the basis that it would give municipalities more leverage in negotiating service standards and costs with MCSS.
- MCSS representatives are concerned that funding arrangements reflect a balanced financial solution for both the province and the municipal sector, and a municipal contribution to administrative costs will help to achieve that goal. They also argue that municipalities should have a financial stake in the process of negotiating service delivery contracts.

The Committee recommends that this matter be resolved through discussions between the Ministry and the municipal sector, in the context of implementation of the full report.

### *Employment Support Services*

<b>Management Responsibility:</b>	<b>Provincial*</b>
<b>Funding Responsibility:</b>	<b>Indicated below</b>
<b>Delivery Responsibility:</b>	<b>Provincial, Municipal, or Voluntary-Sector</b>

	<b>Cost-Sharing Ratios (%)</b>	
	<b>Municipal</b>	<b>Provincial</b>
• provincial employment programs (FBA)	0	100
• Vocational Rehabilitation Services	0	100
• sheltered workshops	0	100
• municipal employment programs (GWA)	20	80

\* Short-term recommendation; in the longer term, municipal management to be considered.

MCSS and municipal employment support services are important in helping FBA and GWA clients gain economic independence, but they do not require the same degree of standardization or regulation as



the income program. These services tend to involve a brokerage role: staff help clients gain access to the employment programs they require. These programs may be offered by a variety of service providers. Employment support services are amenable to local authority and adaptation. However, the Committee proposes that, in the short term, MCSS be the manager because these services are in a period of transition; changes are being made and some programs are under review. In the longer term, when these services are more fully developed, municipal service management should be considered.

The Committee recommends that in the short term employment support services should continue to be cost-shared as they are currently; that is, services to persons with disabilities and other clients of Ministry employment support services should be funded 100 per cent by MCSS, and employment services provided by municipalities (mainly to GWA clients) should be cost-shared by MCSS and municipalities on an 80-20 basis. The status quo is advisable because these services are in a transitional stage. In the longer term, if municipalities assume the management role, cost-sharing should be reviewed.

### **Facility-Based Care for Persons with Developmental Disabilities**

<b>Management Responsibility:</b>	<b>Provincial</b>
<b>Funding Responsibility:</b>	<b>Provincial 100%</b>
<b>Delivery Responsibility:</b>	<b>Provincial or Voluntary-Sector</b>

- Schedule I facilities
- Schedule II facilities

These institutional facilities are in a period of transition; many are being phased out or downsized as part of a long-term MCSS plan. The current phase of this plan is scheduled for completion in 1994. Residents are being moved to smaller, more home-like community residences or to supported independent living arrangements. These institutions are now under MCSS management and funding responsibility. Those facilities that remain in operation after 1994 should remain an MCSS service management and funding responsibility. Delivery should continue under present arrangements.

## Child Care

<b>Management Responsibility:</b>	<b>Municipal</b>
<b>Funding Responsibility:</b>	<b>Provincial 75%/Municipal 25%</b>
<b>Delivery Responsibility:</b>	<b>Municipal, Voluntary-Sector, or Private-Sector</b>

- centre-based care
- private home care
- subsidies to parents in financial need
- support services

The functions of service management in child care must include local planning, administration of subsidies to low-income parents, direct operation or purchase of services, licensing, inspection, monitoring and evaluation, community development, public information activities, and other support services.

The Committee recommends that municipalities be required to assume responsibility for service management for all child care services within their jurisdictions. Municipal service management is recommended on the basis that child care is a community-based service that will benefit from local flexibility in setting priorities and developing a range of child care services. However, it is recognized that the province will continue to legislate standards for child care to ensure that the best interests of children across the province are protected.

Since municipalities will have service management authority over child care services, the Committee recommends that these services be cost-shared by MCSS and municipalities on a 75-25 basis.

In delivery, a mix of existing municipal and non-government service providers should continue.

## Community-Based Support Services

<b>Management Responsibility:</b>	<b>Municipal</b>
<b>Funding Responsibility:</b>	<b>Provincial 75% / Municipal 25%</b>
<b>Delivery Responsibility:</b>	<b>Municipal, Voluntary-Sector, or Private-Sector</b>

### Accommodation with Care

- Homes for the Aged (municipal/charitable)
- community accommodation for persons with developmental disabilities\*
- domiciliary hostels

### Transitional Care

- halfway houses/rehabilitation programs

### Emergency Housing

- Emergency Shelter and Assistance program
- family violence shelters/counselling
- hostels and emergency shelters

### Home-Based Care

- Homemakers and Nurses Services
- Integrated Homemaker Program\*
- home support services
- attendant care
- support services and lifeskills for persons with developmental disabilities\*

### Community/Family Support

- Community and Neighbourhood Support Services Program
- Elderly Persons' Centres

### Counselling

### Information and Referral

- \* Service management responsibility for community accommodation with care and support services for persons with developmental disabilities should be assumed by municipalities in 1994. The Integrated Homemaker Program is excluded from municipal service management responsibility at this time.

This envelope includes a variety of services, including accommodation with care, home-based care, supports to individuals and families in crisis, counselling, and information and referral. Among those receiving services are elderly persons, persons with disabilities, and the socially disadvantaged.

These services are community-focused and conducive to local management. Municipalities have a history of involvement in many

of these services, such as Homes for the Aged and home-based care. Municipalities are in a good position to assess needs and set priorities, based on circumstances in their jurisdiction. The Committee recommends municipalities be required to assume responsibility for service management of these services, and that MCSS and municipalities cost-share these services on a 75-25 basis.

There are two exceptions. One pertains to community accommodation and support services for persons with developmental disabilities. Until the current phase of the MCSS multi-year plan is completed in 1994, the Ministry should continue to manage and fully fund these services. At that time, municipalities should assume the management role and contribute 25 per cent to the funding of these community services. The Committee believes these services belong in the community-based support services envelope, but we wish to provide some adjustment time while facilities are being closed down and community services developed to replace them.

The other exception is the Integrated Homemaking Program (IHP), which is also in transition. This program is available in 18 municipalities, but it is expected to expand across the province. IHP should remain with MCSS until it is more fully developed, at which time municipal service management and cost-sharing should be considered.

The Committee also makes reference to the current provincial government review of long-term care for elderly persons and persons with physical disabilities. This review involves MCSS, the Ministry of Health, the Office for Disabled Persons, and the Office for Senior Citizens' Affairs. The province has indicated it is developing an Extended Care Act. The Committee cautions that any proposed changes to long-term care that would substantively affect the municipally managed and cost-shared community-based support services envelope must be subject to discussions between MCSS and the municipal sector and may affect the recommendations in this report.

Voluntary-sector organizations currently deliver many of the services in the community-based support services envelope. Their role should be preserved and encouraged.

### Proposed New Provincial-Municipal Framework

Service Envelopes	Responsible for Legislation and Policy Development	Responsible for Service Management	Responsible for Funding
1. <b>Children's Services</b>	province	province	province
2. <b>Income and Employment Support</b>	province	province	
– Allowances and Benefits			province
– Administration			unresolved
– Employment Support			status quo
3. <b>Facility-Based Care for Persons with Developmental Disabilities</b>	province	province	province
4. <b>Child Care</b>	province	municipalities	province 75% municipalities 25%
5. <b>Community-Based Support Services</b>	province	municipalities*	province 75% municipalities 25%*

\* Service management and cost-sharing responsibilities for community accommodation with care and support services for persons with developmental disabilities should be assumed by municipalities in 1994. The Integrated Homemaker Program is excluded from municipal service management and funding responsibilities at this time.

## Funding Issues and Impacts

In one area, this report presents two cost-sharing proposals. The difference between the two models is in funding of administration of the income support program. The first proposal shows administration as funded 100 per cent by MCSS; in the second, it is cost-shared on a 75-25 basis. Proposal 1 shows municipal expenditures of \$320 million and MCSS expenditures of \$4.42 billion; Proposal 2 shows municipalities paying \$367 million and MCSS \$4.37 billion. (The provincial totals include federal reimbursements.) These proposals compare with 1988-89 expenditures of \$429 million by municipalities and \$4.31 billion by MCSS.



TABLE 1

Proposed Municipal-Provincial Cost-Sharing  
Based on 1988-89 Expenditures <sup>a</sup>  
(\$M)

SERVICES	ACTUAL EXPENDITURES			PROPOSAL 1		PROPOSAL 2 Including Administration for Income Support	
	Municipal Share	Provincial Share	Total	Municipal Share	Provincial Share	Municipal Share	Provincial Share
				<u>0%</u>	<u>100%</u>	<u>0%</u>	<u>100%</u>
Children's Services	53.1	530.1	583.2	0.0	583.2	0.0	583.2
Income Support Services							
Allowances and Benefits	136.0	2,006.3	2,142.3	0.0	2,142.3	0.0	2,142.3
						<u>25%</u>	<u>75%</u>
Administration	72.6	114.8	187.4	0.0	187.4	46.8	140.6
Employment Support Services <sup>b</sup>							
Employment Support	3.7	44.4	48.1	3.7 <sup>b</sup>	44.4 <sup>b</sup>	3.7 <sup>b</sup>	44.4 <sup>b</sup>
Employment Programs for Persons with Physical and Developmental Disabilities	0.0	72.9	72.9	0.0 <sup>b</sup>	72.9 <sup>b</sup>	0.0 <sup>b</sup>	72.9 <sup>b</sup>
				<u>0%</u>	<u>100%</u>	<u>0%</u>	<u>100%</u>
Facility-Based Care for Persons with Developmental Disabilities (Schedule I and II facilities)	0.0	319.5	319.5	0.0	319.5	0.0	319.5
				<u>25%</u>	<u>75%</u>	<u>25%</u>	<u>75%</u>
Child Care	36.6	267.1	303.7	75.9	227.8	75.9	227.8
Community-Based Support Services <sup>c</sup>	116.9	840.2	957.1	230.7	726.4	230.7	726.4
				<u>Municipal Grants</u>	<u>Provincial Grants</u>	<u>Municipal Grants</u>	<u>Provincial Grants</u>
Information and Referral	0.9	0.0	0.9	0.9	0.0	0.9	0.0
Municipal Non-Shared Administration and Grants	9.1	0.0	9.1	9.1	0.0	9.1	0.0
Ministry Administration <sup>d</sup>	0.0	116.4	116.4	0.0	116.4	0.0	116.4
<b>Total Gross Municipal-Provincial Cost-Shared Expenditures</b>	<b>429.0</b>	<b>4,311.7</b>	<b>4,740.7</b>	<b>320.3</b>	<b>4,420.4</b>	<b>367.1</b>	<b>4,373.6</b>
<b>Gross Municipal-Provincial Cost-Sharing Percentage (%)</b>	<b>9.0%</b>	<b>91.0%</b>	<b>100.0%</b>	<b>6.8%</b>	<b>93.2%</b>	<b>7.7%</b>	<b>92.3%</b>

<sup>a</sup> The program expenditures are based on the provincial fiscal year 1988-89 and the municipal non-shared expenditures are based on the 1988 municipal calendar year. All figures are net municipal and gross provincial expenditures.

<sup>b</sup> The employment support programs for income support clients will continue to be cost-shared on the current 20-80 basis for clients of General Welfare Assistance as reflected in the models. These figures include employment support expenditures for both FBA and GWA clients.

<sup>c</sup> Community accommodation and support services for persons with developmental disabilities are cost-shared in this table. Municipal cost-sharing is recommended to start in 1994. The Integrated Homemaker Program expenditure for 1988-89 was \$34.8 million but is not cost-shared in these models. It is currently available in 18 areas in the province but is scheduled for expansion.

<sup>d</sup> Ministry Administration includes salaries, benefits, supplies, equipment, and expenditures for services to manage and deliver Ministry programs.

AMO's support for the 75-25 cost-sharing of child care and community-based support services is contingent on municipalities having no financial commitment for the income support program, including its administration. MCSS representatives' support for the 75-25 cost-sharing is contingent on their position that proposed funding changes should not result in either the provincial government or the municipal sector having to pay an increased proportion of overall social service costs.

The province and municipalities should cost-share capital expenditures in social services on the same basis as operating expenditures. This ratio would vary according to the service envelope.

The Committee examined the financial impacts of the report's cost-sharing proposals on 48 municipalities and found wide variation. Analysis reveals three major reasons for the range of impacts: the current pattern of municipal social service expenditures (whether the municipality has high GWA costs, for example, which would be transferred to MCSS); location and catchment areas of existing institutions, such as charitable Homes for the Aged, which are not now cost-shared by municipalities; and the extent of MCSS development of community-based services, such as support services for persons with developmental disabilities, which would eventually be cost-shared by municipalities under the proposed funding arrangements.

Because of the varying impact on municipalities, the Committee recommends that an implementation plan provide for phasing in of new funding obligations.

In light of the variation in municipal ability to pay for social services, the Committee recommends that municipalities should have the right to appeal their share of social service costs to the Ontario Municipal Board or a similar independent body. The appeal mechanism, and the criteria on which an appeal could be based, should be developed as part of the implementation plan.

The Committee also recommends that a new and more effective resource equalization mechanism for municipalities should be developed that adequately takes into account the varying capability of municipalities to fund social services.

## Planning

Currently there is no mandated community planning process for social services. Community-based planning is necessary to bring more cohesiveness and coordination to the social service system. Under the proposals in this report, the provincial or municipal service manager would be responsible for planning and priority-setting for each service envelope. But the Committee is concerned that there should also be a planning process that encompasses all service envelopes and looks at the whole social service system at the community level.

This report recommends that a community-based planning process for the social service system be established in communities across Ontario. It recommends that municipalities be responsible for preparing a community social service plan that incorporates the service managers' plans for each of the service envelopes. The planning role should fit well with the community development focus of the municipal sector. Placing this responsibility in municipal hands puts the planning process close to the community, where its effects will be felt.

The local planning process should be a collaborative one that involves all the key players in the system, including governments, the voluntary sector, clients, and residents. The plan should set community priorities and influence service managers and funders.

Municipalities would forward the plan to MCSS for review and response. The Committee recommends that the local plans take into account strategic directions from MCSS, and that MCSS also have regard for what communities are saying in their strategic plans.

In order to establish links with other related services, the planning process should be coordinated as soon as possible with planning for community health services, which are closely linked with social services. Consideration should be given to establishing planning links with other related services, such as education and housing.

## Implementation

This report recommends a new framework for planning, managing, and funding the social service system that clarifies and realigns the responsibilities of the province and municipalities. This realignment is intended to make the system work more effectively and to improve relationships among all the players in the system, including the voluntary sector.

It is important, in the Committee's view, that this report be dealt with as a package. The components of the new framework – particularly service management and funding – are closely linked. The Committee urges the province and the municipal sector to agree on implementation of the whole package, recognizing that the actual process of implementation will probably have to be accomplished in stages. Staging should be done in a way that does not place either the province or the municipal sector at a significant fiscal disadvantage.

An implementation team with provincial, municipal, and voluntary-sector representation should be established to plan and coordinate the implementation process. Because of the impact on staff of shifts in responsibilities, and in the interest of minimizing disruption for those working in the system, the Committee recommends that human resource considerations be given the highest priority by the implementation team.

The joint implementation planning for changes recommended in this report should set the stage for more effective collaboration in future. To encourage intergovernmental cooperation, the Committee proposes that there be a well-defined process of regular consultation between the province and the municipal sector on social service issues, and that, as part of those consultations, trends and impacts in social service expenditures should be monitored.

# Recommendations

## Chapter 4 – Service Management

- Recommendation 1* The Ministry of Community and Social Services should be responsible for legislation and policy development for the social service system. This responsibility should be carried out in consultation with other participants in the system.
- Recommendation 2* In southern Ontario, the responsibilities of service management in the municipal sector should be carried out at the upper-tier level by regions and counties.
- Recommendation 3* Counties and separated municipalities in southern Ontario should develop cooperative arrangements for the service management role, either through mutual purchase-of-service arrangements or by joint committee structures.
- Recommendation 4* In northern Ontario, the responsibilities of service management in the municipal sector should be assumed by regions and district cities where they exist. In other areas, the Ministry of Community and Social Services should take on the role of service manager.



- Recommendation 5** The Ministry of Community and Social Services should provide service management for the entire envelope of children's services, including child welfare. Municipalities should no longer be required to participate in the management of Children's Aid Societies.
- Recommendation 6** The role of voluntary-sector organizations as delivery agents of children's services should be preserved and encouraged.
- Recommendation 7** The Ministry of Community and Social Services should have service management responsibility for a new integrated income support program that combines the existing General Welfare Assistance and Family Benefits Allowance programs.
- Recommendation 8** Special Assistance and Supplementary Aid should be part of the integrated income support program under provincial management.
- Recommendation 9** Income support services should be delivered by regions, counties, and northern district cities. Where these municipal structures do not exist, the Ministry of Community and Social Services may contract with District Welfare Administration Boards or with other agencies, or may deliver the program itself.
- Recommendation 10** Negotiations between the Association of Municipalities of Ontario and the Ministry of Community and Social Services on a model service delivery contract for the income support program should begin immediately.
- Recommendation 11** If no alternative program is developed in the near future to replace the provincial income support program for persons with disabilities, such clients should be served by the same delivery agent as other income support clients.
- Recommendation 12** Employment support services for income support clients should be managed by the Ministry of Community and Social Services in the short term. In the longer term, when these programs are more fully developed, municipal service management should be considered.

- Recommendation 13** The delivery agent for income support should ensure the provision of employment support services for income support clients, either by delivery or by purchase of service.
- Recommendation 14** The Ministry of Community and Social Services should retain service management responsibilities for facility-based care for persons with developmental disabilities.
- Recommendation 15** Municipalities should be required to assume responsibility for service management of all child care services within their jurisdictions.
- Recommendation 16** The new provincial Child Care Act should provide for the transfer of appropriate management authority to municipalities. The municipal sector should be consulted before introduction of the new act.
- Recommendation 17** The Ministry of Community and Social Services should consult with the municipal sector on regulations and policies related to local management of child care services.
- Recommendation 18** Municipalities should continue to use a mix of child care delivery agents.
- Recommendation 19** Municipalities should be required to assume responsibility for service management of community-based support services in their jurisdictions, with the following exceptions:
- The Ministry of Community and Social Services should retain service management responsibilities for community-based accommodation and support services for persons with developmental disabilities until the current phase of the MCSS multi-year plan is completed, at which time management should be assumed by the municipal sector.
  - Municipal management of the Integrated Homemaker Program should be considered only when program directions are resolved.

- Recommendation 20** Any proposed change in the long-term care system that would substantively affect the municipal service management of community-based support services should be subject to further discussions between the Ministry of Community and Social Services and the municipal sector.
- Recommendation 21** The new omnibus Community Services Act being developed by the Ministry of Community and Social Services should provide appropriate authority for municipal service management for the community-based support services envelope. The municipal sector should be consulted before the introduction of the new act.
- Recommendation 22** Municipalities should be given authority to regulate, license, and inspect rest homes if they choose to do so.
- Recommendation 23** The Ministry of Community and Social Services should consult with the municipal sector on regulations and policies related to management of community-based support services.
- Recommendation 24** The role of voluntary-sector organizations as delivery agents of community-based support services should be preserved and encouraged.

### **Chapter 5 – Funding**

- Recommendation 25** The Ministry of Community and Social Services should assume 100 per cent of the costs of children's services, including those provided by Children's Aid Societies.
- Recommendation 26** The Ministry of Community and Social Services should assume 100 per cent of the costs of the allowances and benefits of an integrated income support program, including the full costs of Special Assistance and Supplementary Aid.
- Recommendation 27** Because the issue of cost-sharing administration of the income support program has not been resolved, this matter should be addressed by the Ministry of Community and Social Services and representatives of the municipal sector. An agreement should be reached that takes into account the new framework of responsibilities recommended in this report.

- Recommendation 28** Funding arrangements for employment support services should remain unchanged in the short term. In the longer term, if management of employment support services is assumed by municipalities, consideration should be given to adjusting the cost-sharing at that time.
- Recommendation 29** The Ministry of Community and Social Services should continue to fund 100 per cent of the costs of facility-based care for persons with developmental disabilities (Schedule I and II facilities).
- Recommendation 30** The Ministry of Community and Social Services and municipalities should cost-share child care services on a 75-25 basis.
- Recommendation 31** The Ministry of Community and Social Services and municipalities should cost-share community-based support services on a 75-25 basis, with the following exceptions:
- Provincial responsibility for funding community-based accommodation and support services for persons with developmental disabilities should continue until the completion of the current phase of the MCSS multi-year plan. At that time, these services should become part of the community-based support services envelope, which is cost-shared by municipalities.
  - When strategic directions and financial impacts of the Integrated Homemaker Program (IHP) are clarified and implementation is more fully matured, funding arrangements should be reviewed.
- Recommendation 32** The province and the municipalities should cost-share capital expenditures in social services at the same ratio as operating expenditures.
- Recommendation 33** The Ministry of Community and Social Services should make appropriate per-capita grants to municipalities to assist in the provision of community grants to voluntary-sector organizations.
- Recommendation 34** An implementation plan should be developed to phase in new funding obligations for municipalities.

- Recommendation 35** Municipalities with service management responsibilities should have the right under certain circumstances to appeal their share of social service costs to the Ontario Municipal Board or a similar independent body. The appeal mechanism and the criteria on which an appeal could be based should be developed as part of the implementation plan for the proposed funding arrangements.
- Recommendation 36** The provincial government, in consultation with the municipal sector, should develop a new and more effective resource equalization mechanism for municipalities that adequately takes into account the costs of social services and municipal fiscal capacity.
- Recommendation 37** Provincial funding allocations for programs cost-shared with municipalities should be sufficiently flexible to permit local priority-setting within service envelopes.
- Recommendation 38** Provincial funding decisions should be made in time to allow for effective planning and budgeting of services at the local level.

## Chapter 6 – Planning

- Recommendation 39** A community-based planning process for the social service system should be established in communities across Ontario.
- Recommendation 40** The community social service plan should recommend community priorities, based on identification of needs and in the context of fiscal realities. It would include the plans of the various service managers and should serve to advise service managers and funders.
- Recommendation 41** The community social service plan should be a long-range plan with priorities identified within a three- to five-year cycle, with an annual updating of priorities. The plan should be forwarded to the Ministry of Community and Social Services. MCSS should review and respond to all community social service plans.
- Recommendation 42** The planning area for the community social service planning process should be the existing boundaries of regions, counties, and districts, and should include all lower-tier municipalities, including separated municipalities, within those boundaries. Con-



solidation of the planning process in two or more counties or districts should be encouraged where such consolidation would strengthen the process.

- Recommendation 43** Municipal government at the level of regions and counties should be responsible for preparation of a community social service plan. Where these municipal structures do not exist, the Ministry of Community and Social Services should determine the most appropriate community planning structure for social services.
- Recommendation 44** The Ministry of Community and Social Services should ensure that its strategic plans and policy guidelines are effectively communicated so that they can be considered in community social service plans. Communication should be done in a timely manner, consistent with local planning and budget processes. The Ministry should have regard, in its own strategic planning and budgeting processes, for the social service priorities of communities across Ontario.
- Recommendation 45** Development of the community social service plan should involve all the key players, including representatives of the provincial government, municipal governments, the voluntary sector, other service providers, users of services, and other citizens.
- Recommendation 46** The community planning process for social services should be coordinated with planning for community health services.
- Recommendation 47** Consideration should be given to establishing planning links with other related service bodies such as school boards, housing authorities and corporations, transit authorities, recreation departments, post-secondary educational institutions, and correctional service agencies.
- Recommendation 48** The Ministry of Community and Social Services should link its strategic planning and priority-setting for social services with provincial strategic planning for community health and other related services. Coordinated plans, directions, and initiatives developed through links between MCSS and other ministries should be communicated to the local level.

- Recommendation 49** The Ministry of Community and Social Services and the municipal sector should share the costs of community social services planning on a 75-25 basis.
- Recommendation 50** Provincial government ministries concerned with social services and other related services should, wherever possible, use similar geographical boundaries that should correspond to the boundaries of regions, counties, and districts.
- Recommendation 51** Compatible planning information should be developed for all human services, starting with social services and community health.
- Recommendation 52** All municipalities should ensure that there is a process for managing the relationship between land use planning and planning for social services and other related services in communities.

## **Chapter 7 – Implementation**

- Recommendation 53** The Ontario government and the municipal sector should reach agreement on implementation of a new provincial-municipal framework as soon as possible. When agreement to proceed has been reached, an implementation team, with provincial, municipal, and voluntary-sector representation, should immediately be established by the province to plan and coordinate the implementation process.
- Recommendation 54** Implementation of new provincial-municipal responsibilities should be staged in a way that does not substantially place at a significant fiscal disadvantage either the province or the municipal sector as a whole.
- Recommendation 55** Because of the impact on staff of shifts in provincial-municipal roles and responsibilities, and in the interest of minimizing disruption to people working in the system, human resource considerations must be given the highest priority by the implementation team. Staff and their representatives must be involved in this process. Specific issues to be addressed by the implementation team include labour relations and human resource strategies, strategies for staff retraining, and timetables for implementation.

- Recommendation 56** The Ministry of Community and Social Services, the Association of Municipalities of Ontario, and the Ontario Municipal Social Services Association should provide assistance to municipalities that request help in acquiring greater expertise in service management.
- Recommendation 57** The Ontario government should expedite the development of new legislation required to implement this report.
- Recommendation 58** The implementation team should set up formal consultations with a voluntary-sector reference group to obtain advice on implementation issues related to that sector.
- Recommendation 59** A well-defined process of regular consultation should take place between the provincial government and the municipal sector on social service issues.
- Recommendation 60** The PMSSR financial data base for social service expenditures should be maintained and updated regularly. The provincial government and the municipal sector should monitor trends and impacts in social service expenditures as part of regular consultations.



# **Introduction**

## **Terms of Reference**

The Provincial-Municipal Social Services Review (PMSSR) was initiated in May 1987 and completed in November 1989. The review was conducted by an 11-member committee consisting of four representatives of Ontario's Ministry of Community and Social Services (MCSS), four representatives of the Association of Municipalities of Ontario (AMO), and three representatives of the Ontario Municipal Social Services Association (OMSSA). The terms of reference for the review (reproduced in full in Appendix A) directed the Committee to examine the existing relationship between the province and the municipalities with respect to the delivery and funding of community and social services. It was recognized that a restructuring of the relationship was required; the Committee was asked to propose options for "a more rational framework of responsibilities for service delivery and cost sharing."

Several basic criteria for the new framework were specified. It should address municipal concerns about existing funding arrangements, and it should be consistent with the province's strategic directions for social services. The framework should also provide:



- a balance between local decision-making authority and adherence to province-wide standards of accessibility and affordability;
- simplified and flexible processes for administering programs;
- a clear relationship between cost-sharing arrangements and decision-making authority;
- a method of provincial-municipal planning for programs.

In developing the new framework, the Committee was to consider the strategic issues to be faced in restructuring the provincial-municipal relationship; discuss the objectives and principles on which that relationship should be based; identify the strengths and weaknesses in the existing service system and cost-sharing arrangements for programs throughout the system; and explore alternative approaches that would provide for more effective service delivery.

## Need for the Review

There are a number of reasons why this review was both necessary and timely. No comprehensive review of the framework for planning, delivering, and funding Ontario's social service system had been done in the recent past. Program and policy reviews had been undertaken by the Ministry of Community and Social Services, and the Social Assistance Review Committee (SARC) completed an in-depth study of the income support program in 1988. What distinguished the Provincial-Municipal Social Services Review from past reviews was its focus. When the PMSSR Committee was appointed, it was recognized that it was time to conduct a review of the system as a whole, from the perspective of the roles and responsibilities of the two levels of government.

This review marked the first time that the provincial-municipal management of the system had been the subject of review. This report recommends a realignment of provincial and municipal roles and responsibilities, which, if implemented, should have a significant and positive influence on the effectiveness of the system.

Both the social service system and the social, economic, and political environment in which it operates have changed substantially

in recent years. The system has become so large and complex that it can no longer be managed in the same way that it was even 10 or 15 years ago. Programs and services have proliferated, not just in response to the growth of the province but also in response to changing needs and expectations. Today, municipalities provide a range of social services in their communities. The Ministry of Community and Social Services has four regional offices, 13 area offices, and 74 local offices across Ontario that perform a variety of functions in the system, including some direct delivery of services. And there are more than two thousand non-government agencies, including some in both the voluntary sector and the private sector, that provide social services.

This diversity is one of the strengths of the system, but it also results in fragmentation, which causes confusion for clients and creates gaps or duplications in service. Improved coordination and planning are required to make the system function more effectively and to make the best use of available resources. In order to achieve these goals, it is necessary to clarify roles and responsibilities. Many of the roles and responsibilities for providing and funding services were established in the 1960s and have not been the subject of a major overhaul since that time.

Society is changing at a rapid rate, giving rise to growing public expectations for services and creating the need for new approaches to providing services. Public needs are also constantly changing, as are the people whom the system serves. Ontario has become a diverse, multicultural society; the system must provide services in a more culturally sensitive way. The province is also becoming more urbanized; the system requires the flexibility to adapt to social and economic conditions in the burgeoning urban communities of southern Ontario as well as in the smaller communities of rural and northern Ontario. At the same time, there is concern about the equitable distribution of services among communities, both large and small, urban and rural.

Provincial government policy directions are changing in response to changing circumstances; for example, in recent years, new policies in child care have been announced, and a new approach to community living opportunities for persons with developmental disabilities has been initiated. The provincial government has announced a major reform of the social assistance program in re-

sponse to the SARC report, *Transitions*, which recommended new approaches to help recipients of assistance regain their independence.

In the midst of all this change, the costs of the social service system have continued to rise. Funding arrangements are a major and longstanding concern of municipalities, who are asking to be relieved of funding responsibilities for programs over which they have little or no authority. The current mix of provincial-municipal cost-sharing ratios for social services is complex and confusing. Because changes to funding arrangements have tended to be made on an ad hoc basis over the years, they have created some program disincentives and inequities that must be removed.

In spite of the fragmentation of responsibilities, the need for more community planning and coordination of services, and problems with funding arrangements, the system is working remarkably well, mainly because so many of its participants are committed to client service. However, in the interests of clients and of the many dedicated people working in the system, it is imperative that these obstacles to improving the effectiveness of the system be removed. This review was undertaken to address these issues.

## Scope of the Review

The issues described above are very broad. The Committee, however, had a particular perspective on these "system" issues: we were directed to study the provincial-municipal relationship. Our focus was on roles and responsibilities in managing the system. We looked at planning, which we considered to be an essential part of a well-managed system; we reflected on the role of the service manager and its relationship to service delivery; and we reviewed provincial-municipal funding arrangements. The perspective of this review had a direct effect on how the Committee approached the issues and on the context in which we examined the system.

The relationship of this review to programs in the social service system is probably best clarified by describing what it is not. This is not a program review; the Committee did not have a mandate to evaluate the adequacy or effectiveness of programs, or to analyze

program policies. For example, in our examination of the child welfare program, we did not assess the procedures followed by Children's Aid Societies for taking a child into care or the level of payments to foster parents for taking care of a child. But we did debate which level of government should be responsible for managing children's services, and whether municipalities should cost-share CAS budgets.

***The Voluntary Sector*** Although this review concentrated on the roles of the province and of the municipalities, the Committee did not restrict its analysis exclusively to these two levels of government. As we have noted, the social service system involves the participation of more than two thousand agencies, which are variously engaged in developing, delivering, and funding services. Many of these agencies are voluntary non-profit organizations, under local boards of directors whose members serve on a volunteer basis.<sup>1</sup> Representatives of the voluntary sector acted as advisors to this review, and they emphasized the commitment of voluntary organizations to continue to play a key part in the social service system. The important contribution of the voluntary sector to the system is recognized by this committee. Recommendations in this report that affect the voluntary sector's role were made with the understanding that their vital contribution would and should continue.

***The Private Sector*** Many social services are operated as commercial for-profit businesses. For example, many child care services are provided by private operators, and rest homes are mainly privately run. Voluntary-sector organizations raised the issue of how great a role for-profit agencies should play in the social service system. The Committee considers this issue to be beyond the mandate of the PMSSR.

***The Broader Context*** The Committee also looked at the social service system within the broader context of related service sys-

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1. Some voluntary organizations make extensive use of volunteers in the actual provision of services; however, many employ professional staff. The term "voluntary sector," as we have defined it in this report, applies to organizations that are run by a volunteer board of directors and are operated on a not-for-profit basis. Many are registered charities.

tems and other intergovernmental relationships.

Because people's social needs do not fit neatly into provincial ministerial mandates, many clients are served by a variety of service systems; for example, social services, health, education, and housing. The Committee considered the interrelationship of community social services and related services, particularly health, which overlaps extensively with social services.

The federal government also plays an important role in funding social services, primarily under the Canada Assistance Plan (CAP) and Established Programs Financing (EPF). The Committee included a description of the federal financial contribution in its analysis of cost-sharing because the federal reimbursements have a profound impact on the total cost of the system to the provincial government; but we did not delve further into funding arrangements between Ontario and the federal government.

Another part of the context in which the Committee carried out its deliberations is the relations between the Ontario government and the municipalities in areas other than social services, such as environmental controls and law enforcement. We recognize that social services are only one element of the provincial-municipal relationship.

*Native Peoples* The Committee did not deal specifically with social services for Native peoples in Ontario in this report. There are valid reasons for treating services for Native peoples in a special way. The Native peoples of Canada have special constitutional recognition as the original inhabitants of this land.

Social services for Indian people living on reserves are often provided by the Indian bands themselves. Many bands deliver General Welfare Assistance, and there are three Indian agencies operating in northern Ontario with the powers of Children's Aid Societies, which provide child welfare services under the Child and Family Services Act. For some social services provided to status Indians on reserves, about 93 per cent of the costs are paid by the federal government under the 1965 Indian Welfare Agreement with Ontario; other services provided to Native peoples are cost-shared in the same way as services for the rest of the population of Ontario.



Given the special status of Native peoples, the province's commitment to Native self-government, and the existence of a forum for tripartite negotiations between representatives of Indian communities and the federal and Ontario governments, the Committee did not deal with Native social services as part of this review.

## The Review Process

The review process included an extensive research and consultation phase before the Committee formulated its recommendations.

Early in the process, the Committee created six task groups to review existing roles and responsibilities, identify major issues, and suggest directions for future change in six program categories:

- income maintenance
- child care
- children's services
- services for elderly persons
- services for persons with disabilities
- community support services

The six groups were a convenient way of breaking down a complex system into separate study units. Task group members were selected to represent the three organizations on the Committee; they included a broad cross-section of decision-makers in the social service system, including politicians, senior municipal staff, MCSS policy staff and field operations personnel, and representatives from voluntary organizations across the province. The task groups spent several months in research and discussions, drawing together information and analyzing issues. They submitted their reports to the Committee in January 1988, and these provided a primary source of material for the preparation of a Discussion Paper in the spring of that year. (The names of task group members appear in Appendix B.)

The Committee's Discussion Paper, issued in April 1988, was widely distributed throughout the social service system. Readers

were invited to attend consultation meetings or submit briefs to the Committee, outlining their response to the paper and offering suggestions for improvement of the provincial-municipal relationship. The consultation phase began in May and continued to October 1988. For the public meetings, a workshop format was used, organized around 13 consultation sessions held in nine centres (at least one in each region of the province). About a thousand people attended these meetings. The Committee also received 97 briefs submitted by a variety of municipal and voluntary organizations. (A complete list of these organizations is provided in Appendix D.)

During the consultation phase, the Committee invited a variety of organizations to become involved in the review process. In the fall of 1988, the Voluntary-Sector Reference Group was formed to present the views of voluntary organizations to the Committee. The reference group (whose membership is listed in Appendix E) contacted agencies throughout the voluntary sector to elicit their ideas and concerns, prepared discussion papers, and recommended approaches on key issues. The reference group made a valuable contribution to the review process by providing information and a broader perspective on which to base recommendations.

Upon completion of consultations, the Committee discussed the issues that had to be resolved. Staff to the Committee prepared analyses of the briefs submitted to this review and summaries of the consultation sessions, carried out a review of other literature in the area, and prepared working papers for Committee deliberation. A provincial-municipal financial data base of expenditures for social services was developed; this became an important tool for development of recommendations on cost-sharing. Data were gathered and analyzed for two years: 1986 and 1988-89. For 1986, the municipal fiscal (calendar) year was used, and for 1988-89, the provincial fiscal (April 1 - March 31) year was used. Adjustments were made to correlate data on provincial and municipal expenditures because their budgets cover different periods.

Two separate surveys were carried out to obtain information from municipalities on social service expenditures that were not cost-shared by the provincial government in 1986 and 1988. Additional research was carried out to compile information on cost-sharing arrangements in jurisdictions outside Canada, and a survey was

undertaken on provincial-municipal cost-sharing arrangements for social services in other Canadian provinces. Staff researchers also collected data on provincial-municipal funding arrangements involving other ministries in the Ontario government.

These diverse sources of information, ideas, and viewpoints assisted the Committee in its deliberations and the preparation of this report.



## Changing Realities

This chapter provides some background to the discussions that follow in this report. It is not a detailed history of the system or a comprehensive analysis of social trends; rather, it is intended to show the broad context within which the system is currently operating. (A more detailed account of the history of the social service system can be found in the PMSSR Discussion Paper, as well as in other sources listed in the bibliography.)

### Development of the System

The current social service system has evolved over more than a century. Its long history and the changing roles played by governments and community organizations during different periods partly explain how Ontario came to have a system that includes a variety of government and voluntary-sector delivery agencies, a complex array of cost-sharing formulas, financial participation by three levels of government, and regulations under several separate pieces of legislation governing different services. The roots of the system go back to the 19th century, when municipalities, charitable organizations, and churches were the primary providers of relief to



the poor. Municipal governments and voluntary-sector organizations have continued to play a major role in the system, but over the intervening years, the provincial and federal governments have taken on an increasingly larger share. In addition to the evolution of jurisdictional responsibilities in the system, there have also been many changes in the range and nature of the social services provided, and in their funding and delivery.

Looking at the history of the system and, in particular, at the evolution of the provincial-municipal relationship in social services, we noted some benchmark developments. One occurred in 1846, when the provincial legislature enacted a bill to permit townships to raise funds through property taxation to help pay the costs of relief to the poor. Debate continues today over the appropriateness of using the property tax to finance social programs, especially social assistance. A precedent for provincial funding of social services was set in 1874, when Ontario for the first time passed legislation, the Charity Aid Act, to provide financial support for local social welfare programs.

In the late 1800s and the early years of this century, the provincial government began taking a more active role in social services by passing laws that set mandatory requirements for some social programs, including demands that a specific proportion of costs be borne by municipalities. For example, poorhouses continued to be operated and funded by municipalities and charitable organizations, but their existence was stipulated by provincial law. Legislation passed in this period concerned child protection, workers' compensation, and mother's allowance. In 1929, the provincial Old Age Pensions Act introduced a new cost-sharing formula involving a 50-per-cent contribution from the federal government, 30 per cent from the province, and 20 per cent from municipalities, a ratio still maintained in many programs today.

A shift in the level of government responsible for social services began to occur during the Depression and the Second World War. The change was largely a result of economic necessity. Hard times increased demand for social supports, while undermining the municipalities' financial capacity to pay for services. The provincial and federal governments started taking over more social programs, thereby relieving municipalities of some of their financial responsibilities. For example, the province assumed the full costs of

mother's allowances, and the federal government introduced the first Unemployment Insurance Act. However, municipalities were also given new roles in supporting the growing social services network.

This shifting of responsibilities continued after the war as the social service system grew. At that time, there was also a trend towards universality of some social welfare programs. In the 1950s, the federally funded Old Age Security program was introduced; in 1965, the Canada Pension Plan was established; and in 1966, universal medical and hospital insurance came into effect in Ontario. These universal programs relieved some of the pressures on the rest of the system by creating a new "safety net" for Canadians in sickness and old age.

There was also a growing recognition of the obligation of the state, as represented by the senior levels of government, to assume a major role in meeting the needs of the disadvantaged. In 1966, the Canada Assistance Plan (CAP) was introduced to establish a national program of cost-sharing for a wide range of social services provided to persons in need by the federal and provincial governments. Under CAP, which is still in effect, the federal government undertook to share half the provincial costs of approved programs, on an open-ended basis. The Canada Assistance Plan had a substantial impact on the Ontario system. Legislation was rewritten to meet CAP requirements, and new legislation was introduced.

With the federal and provincial governments taking on a larger role, either through new programs or through cost-sharing under CAP, some of the financial burden that had traditionally rested on municipalities and the voluntary sector was lifted. Municipalities retained their responsibilities for persons defined as short-term welfare recipients and continued some involvement with services for elderly persons and child welfare services. However, at the same time as many established programs were moving to senior governments, Ontario communities were growing rapidly, new demands were surfacing, and new services were being developed, particularly at the local level. The social service system was expanding and it was also taking on a different emphasis, focusing more on prevention, supports to families, and community development. To reflect these new roles, the provincial Public Welfare Department became the Social and Family Services Department in the 1960s,

and the Ministry of Community and Social Services (MCSS) in the 1970s.

The new ministry became involved with a new client group in the 1970s, when responsibility for persons with developmental disabilities was transferred to MCSS as part of a large-scale government reorganization. At the same time, there was a new focus on providing services in communities. That meant phasing out large, regional residential institutions and creating new community living opportunities for many thousands of people with developmental disabilities. This massive task, which is still being implemented, was done in cooperation with the voluntary sector, particularly with local Associations for Community Living. In the late 1970s, MCSS also assumed new responsibilities in consolidating and coordinating a wide range of provincial children's services. In 1979, the Ministry reorganized to decentralize its operations, transferring more program delivery and decision-making to regional and area offices because they could work more closely with local communities.

Municipalities also became involved in providing different kinds of services, such as special transit systems for physically disabled persons, affordable housing through non-profit municipal housing corporations, and subsidized child care. A significant organizational and political change took place in a number of municipalities in the 1970s, with the expansion of regional governments. The regions consolidated a number of local government functions, including social services. There are now 10 regional municipal governments in Ontario in addition to the Municipality of Metropolitan Toronto, which was created in 1953.

## Issues and Challenges Today

As social priorities continue to change, there is considerable pressure from the Ontario public to improve and expand the network of social services. At the same time, governments at all levels are concerned about the need to manage as efficiently and effectively as possible. Today's multifaceted system is no longer targeted exclusively to those in need of income support. This section describes briefly how the social service system is evolving today and high-

lights some of the challenges facing the provincial and municipal governments in managing the system. (For more information on the system and current issues, see the PMSSR Discussion Paper.)

**Disentanglement** Municipal governments are looking for a disentanglement of responsibilities, so that they will be accountable only for services over which they have substantial control. From the municipalities' perspective, their role in the current system leaves them with the worst of both worlds. Legislative and regulatory obligations are imposed on them by Queen's Park and they are subject to provincial financial restraints, yet they are perceived in their own communities to be responsible for programs over which they have only minimal control. Municipalities want the authority to manage both the quantity and the quality of services for which they are responsible, and they want to be guaranteed sufficient revenue to manage properly.

**Program Reform** The Ministry of Community and Social Services is currently setting forth dynamic new program directions and policies for the social service system. *Transitions*, the report of the Social Assistance Review Committee (SARC), advocated a shift in focus away from maintaining income towards assisting individuals to make the transition to independence. MCSS has implemented the first phase of the SARC reforms. A focus on independent living and a move away from institutional settings is central to the MCSS multi-year plan for persons with developmental disabilities. Services for elderly persons are also increasingly being targeted towards providing support to allow people to live in their own homes, helping them to remain independent as long as possible. In children's services, the Child and Family Services Act, enacted in 1984, promoted a more integrated approach to the needs of children and families. MCSS has also indicated that it plans new legislation in the area of community services and child care.

**Community Services** The community is the grass roots of the social service system; there emerging needs are first recognized and innovative service ideas are first implemented. In recognition of this fact, a trend to make more services community-based has developed.



Community-based services promote the integration of service recipients, such as persons with developmental disabilities, into the life of the community. In a geographic sense, all services are based in communities, but small group homes are part of neighbourhoods in a way that large institutions are not. The trend to integration has tended to involve municipalities more in social services because it is largely at the municipal level that land use and community services are planned. From a planning and management perspective, the movement towards community-based services gives more decision-making responsibility to the local level – to municipal government or other local bodies.

The MCSS Corporate Plan specifically says that the community should be the focus when services are planned and the centre of responsibility for delivering those services. However, this principle must be balanced against provincial responsibilities related to accessibility of certain services across Ontario, and to consistent standards governing services. A balance must be struck between local accountability and flexibility in individual communities and provincial accountability and consistency across Ontario.

**Fiscal Realities** In its April 1989 Speech from the Throne, the Ontario government set government-wide strategic priorities for reforming social assistance, building on economic strengths, investing in education, keeping communities safe and secure, promoting healthy lifestyles and quality health care, and providing leadership in environmental protection. All these policy areas are vying for provincial tax dollars. At the same time, the province is endeavouring to reduce its budgetary deficit in the interests of sound fiscal management, and is being forced to compensate for reductions in federal transfers. In addition to reducing the rate of growth in its transfers to the provinces for health care and post-secondary education, the federal government has deferred its child care program and announced plans to implement a federal goods and services tax (GST) that will affect Ontario's fiscal position.

Municipalities are being given a number of new responsibilities by the provincial government, but they are concerned that these new roles are not being accompanied by the financial resources needed to carry them out. The 1989 submission to the provincial Cabinet from the Association of Municipalities of Ontario, *Salvaging the*



*Partnership*, documented the impact of a range of new programs, such as environmental regulations and health and safety programs, combined with provincial restraint on transfers to municipalities. AMO said this proliferation of new initiatives is forcing some municipalities to cut existing services and others to raise tax rates substantially. The hardest hit are high-growth, northern, and smaller municipalities. The submission recommended a commitment to revenue-sharing by the Ontario government, development of a new unconditional grants program, legislative safeguards to protect municipalities from further devolution of provincial responsibilities without commensurate funding, and inclusion of a municipal impact statement with all provincial Cabinet submissions for new programs and policies. The uncertainty of future financial burdens in social services has made many municipalities wary of taking on any new responsibilities.

***Municipal Diversity*** In proposing any changes to municipal involvement in social services, it is necessary to consider the issue of variation within the municipal sector. Municipal governments vary widely in their population density, geographic size, structure, responsibilities, and revenue-raising capacities.

There are 839 municipalities in Ontario, which exist within regional and county governments and northern districts. There is a wide variation in the delivery of social services, such as General Welfare Assistance (GWA) and Homes for the Aged, among these local government structures. In southern Ontario, there are nine regional governments in addition to Metropolitan Toronto, and 27 counties with 17 "separated" cities or towns involved in the delivery of social services. The 17 separated cities or towns operate social services independently of the counties within which they are located. Three of the counties are not consolidated for the purposes of administering income support. Discretionary programs such as child care and community support services may be delivered either by a regional or county government or by separated cities, towns, or townships.

In northern Ontario, there are no county governments. The North is divided into ten territorial districts, which exist solely for judicial and administrative purposes. In addition, the Regional Municipality of Sudbury and the District Municipality of Muskoka

have their own delivery arrangements. For the purposes of social service delivery, the District Municipality of Muskoka operates as a regional government. The social services for the Regional Municipality of Sudbury are administered by the District of Sudbury.

Six districts have District Welfare Administration Boards (DWABs), which operate under their own legislation to deliver income support. They have representation from the municipalities in their area, as well as from the province. The DWABs deliver income support on behalf of all municipalities in their district, except for the cities of Sault Ste. Marie, Timmins, and North Bay, which operate independently. In the four districts that do not have DWABs, 71 individual municipalities, including the City of Thunder Bay, deliver their own income support. Services for elderly persons in the North are delivered through nine district boards and two municipal Homes for the Aged boards. Discretionary programs such as child care may be delivered by DWABs. Community support services may be delivered by the district Homes for the Aged boards, or these services may be provided by individual municipalities. Within all ten districts, there are some areas that are not organized municipally, and in those areas MCSS is directly responsible for social services.

Close to two-thirds of Ontario's residents live in municipalities with a regional form of government. (Included in this total are the ten regional municipalities created between 1969 and 1974, the Municipality of Metropolitan Toronto, the District Municipality of Muskoka, and the Restructured County of Oxford.) The differences in municipal structures and size may have an impact on social services; the regions, for example, are more likely than smaller municipalities to have the staff and administrative expertise to manage a range of programs. The service issues also tend to vary from municipality to municipality; in the densely populated urban areas, physical delivery of services to clients, or of clients to services, is not as great a concern as it is in rural and northern municipalities.

**Coordination and Consultation** A growing concern in the social service system is coordination, both of services within the system and of social services and other related systems, such as health, housing, and education. Demands on the system are more complex than ever before; they often require a response from a variety of

agencies working in the community. Consultation is needed to bring the parties together to develop a coordinated response to emerging needs.

There have been a growing number of interministerial initiatives involving MCSS, the Ministry of Health, and other government ministries and offices. For example, MCSS and the ministries of Health, Education, and Housing held a joint conference on community planning in 1988. In 1989, MCSS and the Ministry of Health appointed an assistant deputy minister with responsibilities for community health and community services for both ministries. Both ministries are involved in a reform initiative in long-term care for elderly persons and persons with physical disabilities.

Municipalities are also concerned about the need for greater consultation. Over the last 20 years, municipalities and the provincial government have tried a number of ways to carry out consultations on matters of mutual concern, including social services. The Municipal Liaison Committee was established in 1969; it was replaced by the Provincial-Municipal Liaison Committee in 1973. When the present Association of Municipalities of Ontario was constituted in 1982 as a new political voice for municipalities, a new consultation process was established with the provincial government. The Ontario Municipal Social Services Association (OMSSA), which is an affiliate of AMO and represents municipal social services, has its own protocol with MCSS for liaison on policy and administrative matters. In 1989, AMO requested that all ministries consult regularly with municipalities on proposed initiatives, with a suitable period allowed for response, and that a Cabinet committee on municipal affairs be appointed.

There have been a number of recent efforts to improve provincial-municipal relations. The existence of this PMSSR Committee is a case in point. A new Advisory Committee on Provincial-Municipal Financing Matters, with AMO representation, has been appointed to advise the Minister of Municipal Affairs. Additional consultative mechanisms are being developed, including a forum for meetings between deputy ministers of the Ontario government and chief administrative officers of regional governments.

## A Changing Society and Its Impact

Shifting economic conditions, emerging social priorities, changing government responsibilities, and new attitudes towards social services have all had an impact on the development of the system. Such factors will continue to affect needs and expectations and the system's response to them. But the pace of change and the complexity and diversity of today's society mean that the system's ability to adjust to new demands and new directions is being constantly challenged. This section gives a brief overview of the changing environment and implications for the social service system.<sup>1</sup>

### Demographics

Population trends in our society have particular relevance for social services. The proportion of elderly people and children in the population, the composition of families, the numbers of persons with disabilities, the diversity of the population and its regional distribution all affect the demands on the system.

**Aging** The population of Ontario is "greying." The early members of the baby-boom generation, the generation born between 1946 and 1966, are moving into middle age, and the proportion of children and youth in the population is declining because of a low birth rate. In addition, medical advances and good nutrition are helping people to live longer. Although the aging of the population as a whole has begun, the real impact is yet to come. Today, over one million seniors constitute about 11 per cent of the province's 9.4 million people. They will account for 16 per cent in 2011, when the oldest baby-boomers reach 65, and almost 20 per cent in 2020.

The social service system is beginning to develop a variety of community social and health support services to enable older people to live as long as possible in their own homes. Additional supports, such as respite care, are also being developed to help families who choose to care for elderly relatives at home. There is a need to

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1. The major source for the statistics used in this section is MCSS's *Looking Ahead: Trends and Implications in the Social Environment* (1989). Other references are included in the bibliography of this report.



coordinate institutional care in both the health system and the social service system to ensure that appropriate services are available to those who need them, and that facilities are used to the best advantage.

**Children** The birth rate in Ontario is now well below the replacement level of 2.1 births per woman. It was 1.68 in 1986, the time of the last census. However, owing to the sheer numbers of baby-boom women in the childbearing years, the number of children is still increasing. There were an estimated 2.3 million children under age 18 in Ontario in 1988, constituting just under 25 per cent of the population. It is expected that the province will hit a peak of 2.5 million children around the turn of the century and then start to decline. By 2011, it is estimated that only 20 per cent of the population will be under 18.

The demand for children's services is not expected to decline in the coming decade. Although the number of children is expected to start to drop after 2000, demand for services for children in need of protection and children with other special needs will continue. More attention is being paid to identifying and assisting children at risk, particularly among the poor, and to developing integrated approaches among several service providers to meeting the needs of children and their families. Fewer children are being taken into care by Children's Aid Societies than in the past, but there are substantially more children receiving protection and prevention services.

**Families** The family unit is not what it used to be, with father out working, mother at home, and two or more children. In half of Ontario families, both parents work (compared with 15 per cent in the early 1960s), reflecting the surge of women into the work force. With about a third of all marriages in Ontario ending in divorce, there are many more single-parent families and reconstituted families, with step-parents and step-children. There are more common-law couples and more homosexual couples living as family units. Family size is smaller on average, and there are more couples with no children. More families, with or without young dependants, are now taking on responsibilities for care of elderly parents.



The services required by today's family are different than those of families in the past. Accessible, affordable child care is a priority for many working parents. With the aging of the population, the pressure on families of elder care is likely to rise, making support services, such as Homemakers and Nurses Services, another necessity. Parents of children with special needs require flexible services that are available after work or on weekends. The single-parent family is particularly vulnerable, and the number of these families has almost tripled in the past 30 years. In 1986, 12 per cent of all families in Ontario were headed by single parents, the vast majority of whom were women.

*People with Disabilities* Modern medical techniques are saving the lives of more people with serious injuries and of babies with congenital defects than was possible in the past. Technology is making it possible for many more disabled people to live on their own, with new assistive devices. Many persons with disabilities want to work but require vocational training and other supports to acquire skills for the workplace. The sheltered workshop, like the large residential institution, is gradually becoming a thing of the past.

Previously, the common approach to care for most people with disabilities was institutionalization. The emphasis is now on community-based care. Many families are choosing to keep their children with disabilities at home; many adults want to live as independently as possible. MCSS is in the midst of a long-term plan to phase out large residential facilities for persons with developmental disabilities and to create new community living opportunities and support services to take their place. The community service system, which served 4,600 disabled persons in 1975, is now providing various levels of support for more than 25,000.

*Regional Variations* Ontario is projected to add about 1.5 million people to its 1988 population by the year 2000, to reach 10.9 million. By that year, the greater Toronto area is expected to have a population of 5 million. The continuing increase in population in the greater Toronto area will probably mean an undersupply of affordably priced housing, for both renters and buyers. The

demand for a variety of social services, such as child care, is also expected to grow in urban Ontario.

In parts of rural Ontario the population is stabilizing, while in the North it is declining, with both trends due mainly to migration to the big cities. Rural Ontario and northern Ontario have fewer social service agencies and they are spread over wider areas, creating the need for effective coordination and innovative approaches to problems of accessibility.

**Multiculturalism** Ontario has a multicultural, multiracial, and multilingual population. Its diversity continues to grow, as half the new immigrants to Canada decide to settle in this province. In 1987, there were almost 85,000 new arrivals. About half of the new immigrants to Ontario speak neither English nor French on arrival. The major sources of immigration are currently Asia, South America, and Central America. The challenge of diversity requires that social services be made more accessible and responsive to the needs of different cultural groups.

### **The Economy**

The strength of the economy has clear implications for social services. Unemployment and income levels affect the need for income support and other support services. The general economic picture has been favourable over the last few years. Real growth in Ontario has exceeded 4 per cent for six consecutive years; in 1988, real output was 4.9 per cent, outpacing the U.S. and Europe.<sup>2</sup> Good times have been accompanied by rising public expectations and increasing competition for government funding of new and expanded services, not just in the social service system but in a wide range of other services, such as health, environmental protection, and education.

**Disparities** Not all communities have prospered in the same way across Ontario. Unlike the economically diversified urban South, many single-industry towns in the North and many southern agricultural communities are acutely vulnerable to fluct-

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2. Ontario, Ministry of Treasury and Economics, *1989 Ontario Budget* (Toronto: May 17, 1989), p.1.

uations in world markets for raw materials. In addition, the restructuring of the economy is affecting different sectors in different ways. Factors such as the globalization of trade, free trade with the U.S., technological change in the workplace, and the shift to an information-based service economy are causing problems for some industries, while creating opportunities for others.

Economic restructuring is creating a need for more employment skills training for workers displaced by plant closings or new technology. The growth rate in the labour force is declining, which should make it easier for young people coming out of school to find work, but disadvantaged youth with limited job skills will continue to face obstacles to finding a stable career. The increasing participation of women in the labour force will continue to put pressure on the child care system.

**Poverty** The Ontario poverty rate is the lowest in the country. It has shown a marked improvement over the past 20 years, mainly because of the improved financial position of elderly people. However, almost one million men, women, and children still live in poverty in this province. Certain groups suffer disproportionately. According to the National Council of Welfare, the poverty rate for families led by sole-support mothers in Ontario in 1986 was 42 per cent. The child poverty rate was 13.4 per cent, and the rate for unattached individuals was 28 per cent.

Contrary to common perceptions, the majority of families living below the poverty line are the working poor, not those receiving social assistance. The Social Assistance Review Committee recommended a federal-provincial income supplementation program for the working poor. SARC also recommended a new children's benefit delivered through the income tax system and a national disability insurance and pension program for people with disabilities. The voluntary sector has always been involved with the poor, but the recent spread of charitable food banks has called into public question the effectiveness of the overall social service system's response to poverty.

**Housing and Homelessness** One of the key social problems, particularly in large urban communities, is affordable housing. With housing at a premium, more people are having to put an unac-

ceptably large percentage of their income into rent. Waiting lists for assisted housing are years long. MCSS recently increased the shelter subsidy to social assistance recipients. Some homeless families are spending long periods living in what are supposed to be short-term emergency shelters.

Homelessness, however, is not just a question of the cost of shelter. Some homeless people have fallen outside mainstream society. Some of them have psychiatric problems; some are children who have run away from abusive homes, only to get caught up in street crime. Many of these people respond only to street-level services that are tailored to their needs.

***Shelter from Abuse*** Public awareness of physical and sexual abuse of women and children has greatly increased in recent years, and there are new laws and services to combat the problem. Many Ontario communities have transition houses for battered women and their children; accessibility is more of a problem in rural and more remote areas. Many women who decide to leave abusing spouses face economic hardship because they are financially dependent on their spouses. These women may find themselves requiring financial assistance and subsidized child care services.

There is less awareness of another growing problem, that of elder abuse. Victims of elder abuse tend to be women over 75, who are confused and physically and financially dependent. Abuse of alcohol and of both illegal and legal drugs also has wide-ranging effects on the social service system because it can lead to family breakdown; therefore the need for rehabilitation programs, community support services, and education and prevention programs increases.

### **Rights and Expectations**

The recent emphasis on legalization of rights in Canada has been accompanied by greater willingness on the part of citizens to exercise and defend those rights. The public interest in rights is reflected in the growing number of advocacy groups in Ontario society, representing a wide range of issues and people.

***Human Rights Legislation*** In 1982, the enactment of the Canadian Charter of Rights and Freedoms signalled a new era in



the legal entrenchment of rights in Canada. Since then, there have also been a number of provincial legislative initiatives. The Ontario Human Rights Code has been expanded to provide further protection for people with disabilities and to prohibit discrimination on the basis of sexual orientation. Ontario's new Freedom of Information and Protection of Privacy Act has implications for client access to personal documents and the protection of personal information, including that gathered for social service needs tests. Pay equity legislation passed in 1987 affects the public sector and parts of the private business sector. Employment equity, which targets the hiring and promotion of designated groups – women, Native persons, francophones, racial minorities, and persons with disabilities – is a mandatory program in the Ontario public service.

***French-Speaking Ontarians*** The French Language Services Act, passed in 1986, provides that provincial government services must be available in French in certain designated parts of Ontario. The Ministry of Community and Social Services is identifying the most effective ways of making its services available in French in designated areas. There are an estimated 540,000 Ontarians who identify French as a mother tongue. Most francophones live in eastern and northern Ontario; they represent about 16 per cent of the population in the East, and almost 29 per cent in the Northeast. The demand for social services in French can be expected to be highest in those regions, but it will also be felt in other areas of the province.

***Advocacy Groups*** The growth in advocacy groups is a general trend in society. In social services, there are many more advocacy groups than in the past. These include anti-poverty organizations, advocacy groups for persons with disabilities, and groups for sole-support parents. Such groups often identify gaps in services and press for improvements; they expect to participate in the process of consultation surrounding major decisions for change to the system. More clients of the system expect to have a say in how it responds to their needs. Making services more responsive to individual needs requires more flexible programming and more coordination of services so that a range of service choices can be presented to the client.



## Conclusion

The development of the social service system has affected the kind of society we have in Ontario today. The system, in turn, continues to be shaped by changes in that society. New directions and challenges in the system, and pressures on the relationship between the provincial and municipal partners, formed the context for the deliberations of this committee.



## **Principles for Managing the System**

In this chapter, we discuss the principles the Committee believes should underlie a new framework of provincial-municipal responsibilities in social services. The Committee used these principles as the basis of the recommendations in the rest of this report; in each of the subsequent chapters, we discuss how we applied them.

We hope that these principles will have some application beyond the scope of this report by serving as guidelines for managing the system in future. We recognize that circumstances will change and that the system will continue to evolve. While we do not claim that these principles are immutable, they should serve as a useful benchmark against which new developments can be measured.

The principles are intended to improve the provincial-municipal relationship in managing social services; they are also intended to make the social service system work better, and to improve the relationships among all players in the system, including the voluntary sector. In Chapter 1, we discussed how the mix of overlapping responsibilities, problems with cost-sharing, and other pressures on the provincial-municipal relationship are affecting how the system works. If the major pressure points can be relieved – and this report proposes ways of reaching resolution of several major issues – the result should be, overall, a better-managed system.

In a well-managed system, services are planned, delivered, and funded as effectively and efficiently as possible; links exist between related services, both within the system and with other service systems; services are flexible and responsive to diverse and changing needs and local circumstances; and there is a continual evaluation of performance in order to capitalize on strengths and correct weaknesses. In the next chapter, we discuss management in relation to specific categories of services; this chapter addresses management of the system as a complex and interrelated whole. To achieve a better-managed system, we believe that provincial and municipal responsibilities must be clarified and realigned according to the following principles.

### Principles for Managing the System

1. The provincial government and the municipal sector have joint responsibility for managing the social service system to maximize its effectiveness and efficiency.
2. Each party's roles and responsibilities should be clear and consistent with the capacities of the level of government that assumes them.
3. Authority should be commensurate with responsibility and accountability.
4. There should be a balance between equity in Ontario's social service system and the need for flexibility at the local level.
5. Community involvement is an essential component of the planning and management of the social service system.
6. Planning and coordination of services must be promoted and increased.
7. Consultation should characterize all relationships within the system.
8. Fiscal realism should be recognized as an important factor in decision-making.

## Principles for Managing the System

**Principle 1** *The provincial government and the municipal sector have joint responsibility for managing the social service system to maximize its effectiveness and efficiency.*

Management of the social service system is a joint responsibility, agreed upon and accepted by the province and municipalities. Joint responsibility does not imply that all governments have identical responsibility; each party has a distinct and separate role to play. However, these roles must interconnect if the system is to function as more than a series of isolated programs. The relationship between the two levels of government must be open and dynamic; as circumstances change, the relationship must be capable of adapting; there must be dialogue and a willingness to compromise where necessary. The two parties are both responsible for maintaining the viability of the relationship.

**Principle 2** *Each party's roles and responsibilities should be clear and consistent with the capacities of the level of government that assumes them.*

Within the context of joint responsibility, the respective roles of the partners must be clear. There is a strong feeling in the municipal sector that municipalities are currently required to be involved in social service programs that are inappropriate to local government – inappropriate because the nature of the programs requires that the province exercise virtually total authority, leaving the municipality with mere administrative responsibility for delivery and cost-sharing. Municipalities are committed to remaining major participants in the system, but they want to be involved in programs and services that are appropriately and actively managed at the local level. There is also concern that the current overlapping of jurisdictions is causing unnecessary programming and administrative complexities and cost-sharing anomalies.

**Principle 3** *Authority should be commensurate with responsibility and accountability.*



Once responsibilities are clarified and assigned to the appropriate level of government, that party must have the authority to exercise a reasonable level of control over the program. In the case of municipalities, that means having the authority to manage services and financial resources within broad provincial parameters. It is accepted that the province, as the level of government with the legislative responsibility for the social service system, will always have a say in the direction of services and will also have certain requirements for accountability for provincial dollars spent at the local level. However, where there is municipal responsibility and accountability for programs, provincial prescriptions must not be so restrictive as to undermine municipal ability to manage.

*Principle 4* *There should be a balance between equity in Ontario's social service system and the need for flexibility at the local level.*

It is a responsibility of the province to ensure that those services that must be available across Ontario are reasonably accessible to those who need them. In addition, some programs require the application of provincial standards to ensure consistent quality across the province. At the same time, uniformity is not required in every service in every community. The balancing of equity and flexibility may mean that some programs are most appropriately managed by the province, while others should be a municipal management responsibility. There may also be a compromise within a program: the province may enforce certain quality standards but leave the level of service in the community to local discretion. It is not practical to make hard-and-fast rules to apply to every situation, but there should be greater clarity about equity in the system.

*Principle 5* *Community involvement is an essential component of the planning and management of the social service system.*

Community involvement in the system may take a number of forms. It may involve a planning process at the local level that draws together a range of participants in the system, such as voluntary-sector service agencies, local residents, and clients. It may involve the exercise of more authority over social services by municipalities, because they are the level of government closest to com-

munities. The Committee supports both these possible ways to encourage greater community influence and participation in the system. The purpose of community involvement is to ensure that local circumstances and local needs are considered in the planning, development, and provision of social services. The system must be capable of adaptation and innovation to suit the needs and demands of a small, relatively isolated, northern mining town as well as those of a sprawling, heavily commercialized and industrialized southern metropolitan area. Because of this diversity, the exact means whereby community involvement is achieved may vary.

**Principle 6** *Planning and coordination of services must be promoted and increased.*

The province and municipalities should work together to encourage more and better planning and coordination of services. This is necessary to create greater coherence in the system. Planning helps those working in the system set priorities, identify gaps and duplications in service, and cope with change. It also promotes a common understanding of the goals and objectives of the system. Coordination involves sharing of information, cooperation in developing and sharing data, the use of common forms and time-frames, and other joint initiatives. Coordination helps to streamline decision-making and administrative processes. Planning and coordination must also involve links with the voluntary sector and other participants in the social service system. The need for more planning and coordination goes beyond the social service system. Links are also required with other related services, such as health and housing, because there are important connections between social services and other service systems.

**Principle 7** *Consultation should characterize all relationships within the system.*

This principle is generally accepted but not always practised. Confusion over roles and responsibilities and the lack of sufficient system-wide planning and coordination make it difficult to promote the kind of networking and regular consultation that must characterize a well-managed system. Consultation does not necessarily

mean consensus; not all decision-makers need agree with the advice they receive. However, for there to be genuine consultation, the advice must be sought in advance of a decision being made. There is also much to be said for some kind of established forum for consultations among the partners in the system to ensure a regular dialogue.

*Principle 8* *Fiscal realism should be recognized as an important factor in decision-making.*

Fiscal realism demands that the system be affordable. It affects decisions relating to assumption of responsibility for programs; it also affects decisions on the enhancement or expansion of services. The municipal sector as a whole does not have the fiscal capacity to assume the same level of financial responsibility as the province; there is also considerable variation in fiscal capacity from municipality to municipality. However, it is recognized that both levels of government have to contend with fiscal realities in making decisions about the future of the social service system. The best use must be made of limited financial resources, recognizing that there are always competing priorities.

## Application of Principles

In putting forward these principles, the Committee is aware that they may be open to different interpretations and that they may sometimes be in competition with one another when directly applied.

These principles have provided the PMSSR Committee with a basis for approaching decisions. The process of balancing principles against one another and interpreting their application has helped us to clarify and focus the rationale for making decisions. We believe these principles should continue to be used by the province and the municipal sector in future as issues arise. In our view, these principles support and reinforce a positive working relationship between the two parties and should lead to a better-managed and more effective social service system.

## **Service Management**

The Committee was directed by its terms of reference to examine the framework for provincial-municipal roles and responsibilities as it affects service delivery. With that in mind, the Committee looked at the service system as a whole and made a determination about which level of government should most appropriately have responsibility for certain kinds of services. That governmental role, which we define in more detail in the course of this chapter, we call service management. One of the responsibilities of service management is to decide who should deliver services and how they should be delivered.

Our primary focus in this chapter is on the management role, because it is in this area that we believe the most improvements can and must be made. Concerns about the system tend not to be focused at the delivery level, where caseworker meets client; rather, they arise at the decision-making level. One of the major weaknesses in the current system is the fragmentation of decision-making authority within groups of similar services. This causes confusion and frustration for both clients and service providers. The income support program (known also as income maintenance or social assistance) is one example of a program in which responsibility is divided, legislatively and administratively, between two levels of government.

Another major concern is the kind of services now assigned to the municipal sector as local responsibilities. Some of these services, we have concluded, are more appropriately provincial responsibilities because they require province-wide consistency in standards and availability. To address these critical issues, we have proposed a realignment of roles to better suit current social conditions and the capacities of the partners in the provincial-municipal relationship.

In considering how roles and responsibilities should be changed for the future, the Committee took into consideration major concerns about service delivery identified during this review, including the need for:

- greater consistency in the availability of certain services from community to community;
- greater direction from the province for services that should be consistently available;
- more local (both municipal government and general community) involvement in community-based services;
- municipal authority to be commensurate with responsibilities and the degree of accountability;
- simplification of administrative complexities;
- clarification of accountability, particularly in services where there are many different providers and funders involved;
- better coordination of services;
- more emphasis on services that can be used by all members of a community, as opposed to parallel services limited to specific client target groups, such as persons with disabilities or elderly persons.

Following a brief outline of the division of roles and responsibilities in the current system and a review of the Committee's consultations, this chapter sets out a new approach to managing services. It distinguishes between the responsibilities of legislation and policy development, service management, and service delivery, and makes recommendations on new provincial and municipal roles.



## Current Roles and Responsibilities

This section describes briefly what roles are filled by municipal governments and by the Ministry of Community and Social Services. It also indicates which municipal responsibilities are assumed on a mandatory or discretionary basis. Although the main focus is on provincial and municipal roles, the significant contribution of the voluntary sector in developing and delivering social services is also described. Roles are outlined in the six program areas that were identified in the PMSSR Discussion Paper. Current service categories are shown in Table 4-1.

***Income Maintenance*** Responsibility for income maintenance or income support is divided between the province and the municipalities. It is mandatory for municipalities to administer General Welfare Assistance (GWA). In general, MCSS administers Family Benefits Allowance (FBA). The province sets the rates for allowances and benefits for both programs through regulations under the respective acts. The criteria establishing need are legislated.

It is at the level of regions and counties in southern Ontario that the role of administering GWA is most commonly carried out, although some lower-tier municipalities have this responsibility. In the North, a variety of delivery structures exist, including district cities, other municipalities, and District Welfare Administration Boards (DWABs). Where there is no municipal organization in the North, MCSS administers GWA. Eight Ontario municipalities have an integrated delivery system with municipal administration of FBA to sole-support parents, in addition to GWA administration. Some programs related to income maintenance are discretionary for municipalities; according to legislation, municipalities may provide Supplementary Aid and Special Assistance. These programs cover exceptional items not provided under basic GWA or FBA. Municipalities may participate in employment support services as well, such as the Employment Opportunities Program or the Work Incentive Program, which are designed to help recipients of income support to gain employment.

The voluntary sector may also be involved in related programs on a delivery contract or purchase-of-service basis with municipalities

TABLE 4-1

## Current Service Categories

SERVICE CATEGORY	DESCRIPTION	SERVICE EXAMPLES
1. Income Maintenance	<ul style="list-style-type: none"> <li>services that promote the financial well-being of individuals and families and assist them in efforts to achieve economic independence</li> </ul>	<ul style="list-style-type: none"> <li>General Welfare Assistance</li> <li>Family Benefits Allowance</li> <li>Supplementary Aid</li> <li>Special Assistance</li> <li>employment support</li> <li>Vocational Rehabilitation Services</li> </ul>
2. Child Care	<ul style="list-style-type: none"> <li>the provision of formal care to children and related services to assist parents in obtaining child care and information on parenting</li> </ul>	<ul style="list-style-type: none"> <li>centre-based care</li> <li>private home care</li> <li>support services</li> <li>financial subsidies to parents in need</li> </ul>
3. Children's Services	<ul style="list-style-type: none"> <li>six categories of service that focus on the care and protection of children</li> </ul>	<ul style="list-style-type: none"> <li>child welfare</li> <li>child and family intervention</li> <li>child treatment</li> <li>child development</li> <li>community support</li> <li>young offenders</li> </ul>
4. Services for Elderly Persons	<ul style="list-style-type: none"> <li>a variety of psycho-geriatric care, extended care, and residential care, community and home-based services for seniors</li> </ul>	<ul style="list-style-type: none"> <li>Homes for the Aged (municipal/ charitable)</li> <li>Elderly Persons' Centres</li> <li>Homemakers and Nurses Services</li> <li>Integrated Homemaker Program</li> <li>home support</li> </ul>
5. Services for Persons with Disabilities	<ul style="list-style-type: none"> <li>a variety of residential care and community-based services for developmentally, psychiatrically, or physically disabled persons</li> </ul>	<ul style="list-style-type: none"> <li>Schedule I and II facilities</li> <li>community accommodation for developmentally disabled children and adults</li> <li>halfway houses, group homes</li> <li>adult protective services</li> <li>attendant care</li> <li>sheltered workshops</li> <li>lifeskills services</li> </ul>
6. Community Support Services	<ul style="list-style-type: none"> <li>a variety of community programs that serve a number of different target groups and meet a range of needs</li> </ul>	<ul style="list-style-type: none"> <li>halfway houses</li> <li>hostels</li> <li>family violence shelters/counselling</li> <li>Emergency Shelter and Assistance Program</li> <li>Community and Neighbourhood Support Services Program</li> <li>food banks</li> <li>information and referral</li> <li>counselling</li> <li>advocacy</li> </ul>

or with MCSS. In a number of communities, voluntary organizations also provide food and other supplementary assistance to families, some of whom are recipients of GWA or FBA.

**Child Care** The province inspects, licenses, and supervises child care services provided by day care centres, nursery schools, and private home day care agencies. MCSS does operational planning for child care in its regional and area offices and is responsible for the administration of direct operating grants. The Ministry also approves subsidized child care through non-profit corporations.

Municipal involvement in child care services is discretionary. Some municipalities, both upper-tier and lower-tier, have chosen to operate programs directly, with subsidized places for children of low-income families; many also purchase services from private providers and administer the subsidy funding system; still others are not involved in child care at all. Municipalities may also participate in local planning of child care spaces and monitoring of service quality.

**Children's Services** MCSS is primarily responsible for the management of children's services. Service categories mandated under the Child and Family Services Act include child welfare, child and family intervention, child treatment, child development, services to young offenders, and community support. Children's Aid Societies (CAS), which are operated by boards of directors, provide child welfare services at the local level, under Ministry supervision. Child welfare is the one area of children's services in which municipalities must be involved by law; municipalities pay 20 per cent of CAS budgets and municipal councils have representation on CAS boards, but they do not have authority to direct CAS operations. In the other areas of children's services, the Ministry either operates programs directly or administers them through non-government agencies on a contractual basis.

**Services for Elderly Persons** Services for elderly persons include psycho-geriatric care, extended care, residential care, and home-based care. Most municipalities are involved in these services. Only participation in municipal Homes for the Aged is mandatory. The voluntary sector provides many home-based services

for elderly persons and operates charitable Homes for the Aged in some communities. The private sector is also active in this area.

MCSS is involved mainly as a provider of funds, rather than as an operator of services. Community-based services include home support services such as meals-on-wheels, visiting and respite services, security checks, transportation, and home maintenance. Other community services include the Homemakers and Nurses Services program (administered directly by municipalities or through local voluntary agencies), the Integrated Homemaker Program (primarily delivered by municipal health units and funded by MCSS), and Elderly Persons' Centres (operated by municipalities or voluntary organizations), which provide recreational and other activities and information and referral services.

*Services for Persons with Disabilities* Most programs for persons with developmental or physical disabilities are provided either directly by the provincial government or through voluntary organizations funded by MCSS. There are both institutional and community-based services for persons with developmental disabilities but, as we have already noted, there is a provincial strategic plan to phase out large institutions. These institutions are being replaced by community-based care in group homes and supported independent living arrangements. Voluntary organizations, such as local Associations for Community Living, are actively involved in providing community-based services, under contract with MCSS.

Municipalities play a role in services to persons with disabilities in the area of community-based services, such as Homemakers and Nurses Services, the Integrated Homemaker Program, home support services, the Home Care Program, day programs or drop-ins, and income maintenance (temporary GWA, Supplementary Aid or Special Assistance, and accommodation in domiciliary hostels or rest homes through purchase-of-service agreements with non-government organizations). In addition to group homes and supported independent living, non-government organizations are involved in many other community-based services funded by MCSS and municipalities, including attendant care and outreach, parent relief, lifeskills services, and an assortment of mental health services and rehabilitation programs.

**Community Support Services** This category encompasses a wide range of services that serve a variety of clients. It includes hostels, emergency services, food banks, community information centres, family violence shelters and counselling, family counselling, credit counselling, and community and neighbourhood support services. The voluntary sector is most active in this area, as a developer, deliverer, and funder of services. Although both municipalities and MCSS are also involved in some of the services, their role tends to be as funders rather than as deliverers.

## Highlights from Consultations

The following highlights from consultations focus on provincial and municipal roles and responsibilities. The Committee is also aware of concerns, expressed during consultations, about the quantity and quality of certain services. However, our mandate did not include a review of program effectiveness or policies.

**Income Maintenance** The Committee heard clearly throughout the consultation sessions that the whole income support system needs to be better integrated and simplified to ensure effective management of the services. But views varied widely on which level of government should manage or deliver income support and related services. The majority of municipal submissions supported municipal delivery with enhanced provincial funding and streamlined legislation; however, there was a difference of opinion as to whether the province should continue to deliver income support services to persons with disabilities.

It was generally agreed that the province should be responsible for developing legislation, policies, and standards for income and employment programs. A municipal role was seen as important and could include input to provincial activities, local planning, or delivery of programs.

There was considerable support for integrated legislation and a one-tier system of service delivery to eliminate the administrative duplication and complexities that presently exist. Concern was expressed about uneven access to discretionary programs such as Sup-



plementary Aid and Special Assistance, and about the inconsistent availability across the province of employment support programs.

**Child Care** Many groups felt that subsidized child care services need to be consistently available across the province and that municipal participation should be encouraged. Opinions varied as to whether municipal participation in administering child care services should be discretionary or mandatory. There was broad support for allowing responsibility to rest with the Ministry, in order to ensure reasonable access to child care services province-wide in areas where municipalities are unable or unwilling to participate.

It was generally acknowledged that the Ministry should continue to be responsible for setting standards for care, but differing views were presented on the issue of whether monitoring and enforcement should be a provincial or municipal responsibility. Municipal submissions proposed discretionary municipal monitoring and enforcement of legislation and standards. The variable needs of communities were commonly cited as requiring flexible models of child care, as the same service designs and range of services will not necessarily work everywhere.

**Children's Services** Discussion focused on the delivery agent, Children's Aid Societies, and on the mandatory requirement for 20-per-cent municipal participation in cost-sharing and representation on CAS boards. Longstanding municipal concerns regarding the lack of municipal control over the growth of CAS budgets and the resulting increase in the mandatory municipal share have resulted in a strong request, as put forward by the Association of Municipalities of Ontario (AMO), for municipalities to be relieved of mandatory funding and representation on boards. However, some municipal briefs proposed either greater municipal control of child welfare services or a more direct supervisory relationship with their local CAS as a condition for continued municipal involvement. Children's Aid Societies and other non-municipal groups tended to support continued municipal involvement in child welfare.

Comments regarding other children's services focused on the need for consistent standards to be set by the province, while allowing for some level of flexibility for local design of delivery models,

and on the need for better local planning and coordination across the children's services spectrum.

*Services for Elderly Persons* There was widespread support for municipal involvement in services for elderly persons. However, there were differences of opinion as to whether participation should be mandatory or discretionary, and whether the focus should be on community-based services or on Homes for the Aged, or both.

There were consistent recommendations for standardization of programs in all sectors and for evaluation processes to be put in place. The Committee heard that there is a need to formalize and standardize a range of community-based services across the province, and that the province should apply common policies and standards to similar services offered by different ministries and organizations. There is a need for local coordination of long-term care and home support services for elderly persons, in order to make the network more comprehensible to clients, reduce unnecessary duplication, and fill gaps in service.

Comments were also made in favour of simplified access for clients, to be achieved by clarifying various ministries' responsibilities for similar services and perhaps by creating single points of assessment and information or referral for clients. Greater use of generic services that would be available to a wide variety of clients was often proposed. This would allow service providers to meet similar needs regardless of the type of client and would also promote a simplified, more integrated approach to community services.

*Services for Persons with Disabilities* There was significant variation in views regarding the appropriate roles of municipalities. The prevailing view was that the province is and should be ultimately responsible for services to persons with disabilities, but there were also some suggestions from municipalities and others that municipalities could be involved in managing and coordinating community-based services on a discretionary basis. Other groups promoted continuation of direct contracting by the province with the voluntary sector for service delivery. Underlying this view were concerns that broader municipal involvement could create disparities in the levels of service and greater complexity for providers and clients.

A need for better coordination and planning for community-based services at the local level was consistently identified. There was also a move to consider a broader, more generic approach to support services in the community that would target needs rather than client groups. It was recognized that specialized services will always be necessary for some individuals, but ways should be sought to provide services in a manner that keeps all clients within the mainstream of community life.

*Community Support Services* There was broad agreement that a range of core community support services should be defined and made available across the province under provincial legislation and standards. These core services tended to be seen as those programs that meet emergency and longer-term needs for food, shelter, counselling, physical care, home support, information, and referral. Local communities could determine their needs beyond this core group, probably through a local planning process.

It was generally agreed that it is appropriate for municipalities to be involved in the administration and management of community support services. There were differences of opinion as to whether such involvement should be mandatory or discretionary. The importance of the voluntary sector in identifying needs, planning these services, and delivering them was emphasized; however, a formal, mandatory role was not supported.

Comments with respect to this broad program area focused on the lack of coordination and the confusion of responsibilities. The need to balance local discretion and service flexibility with consistency in program access for clients was recognized.

## A NEW APPROACH TO MANAGING SERVICES

### Defining Roles and Responsibilities

In coming to grips with the issue of assigning appropriate provincial and municipal roles and responsibilities in the provision of social services, the Committee began with two basic questions: how to define the specific responsibilities, and how to organize the broad

range of social services into manageable units or "envelopes" of services. After that, we moved on to an assessment of who should most appropriately fulfill those responsibilities.

### **Differentiating Responsibilities**

The Committee looked carefully at the responsibilities involved in provision of services and broke them down into the three roles discussed below.

***Legislation and Policy Development*** This role includes development of legislation, policies, and programs, and setting strategic directions, objectives, and standards for services across the province.

***Service Management*** Service management includes decision-making authority for the quality and quantity of the service within the context of available resources and in accordance with provincial legislative and strategic policy directions. It includes responsibility for:

- setting goals, objectives, and priorities for the service;
- developing local policy and program design;
- determining the means by which the service is delivered to its clients;
- planning for operations and resources, including setting priorities and making allocations;
- the establishment, control, and monitoring of operating standards for the service, within provincial strategic directions;
- ensuring efficient and effective service delivery.

There is an expectation that the party fulfilling the service management role will have sufficient resources to carry out these responsibilities, within the context of fiscal realities.

***Service Delivery*** Service delivery refers to day-to-day provision of specific services to clients. Delivery may be undertaken directly, by an organization's own staff, or indirectly, by using contracted services. The delivery agent is accountable for the effectiveness and efficiency of the service to the authority in charge of



service management. The deliverer must carry out the requirements for the service as established by the service manager and is accountable to the manager for funds spent.

In the Committee's view, legislation and policy development and service management must ultimately be the responsibility of government because of the need for accountability to the public for services and resources. Delivery, on the other hand, could be performed by a range of non-government agencies, since we have made the delivery agent accountable to the service manager for the effectiveness and efficiency of the service.

### **Service Envelopes**

The Committee defined five service envelopes for the purposes of assigning provincial and municipal responsibilities.

- children's services
- income and employment support services
- facility-based care for persons with developmental disabilities
- child care
- community-based support services

The services included in each of the envelopes are shown in Table 4-2. Three of the new envelopes are basically the same as the service areas outlined in the Discussion Paper and described in "Current Roles and Responsibilities," above: children's services, child care, and income and employment support.

Where the Committee has created new groups of services, we have done so on the basis of four considerations. First, we have tried to create "packages" of services that would benefit from integrated management. In other words, these services could be managed together to meet a range of similar needs in the community. A good example is the community-based support services envelope, which includes support services for both elderly persons and persons with physical, psychiatric, or developmental disabilities. These are clients who should be able to have access to many of the same community services. Second, we differentiated between institutions and community-based residential services, in the case of facilities for persons with developmental disabilities.

A third consideration was how services are evolving; for example,



TABLE 4-2

## PROPOSED SERVICE ENVELOPES

SERVICE ENVELOPE	DESCRIPTION	SERVICE EXAMPLES
<b>1. Children's Services</b>	<ul style="list-style-type: none"> <li>• six categories of service that focus on the care and protection of children</li> </ul>	<ul style="list-style-type: none"> <li>• child welfare</li> <li>• child and family intervention</li> <li>• child treatment</li> <li>• child development</li> <li>• community support</li> <li>• young offenders</li> </ul>
<b>2. Income and Employment Support Services</b>	<p>a) services that promote the financial well-being of individuals and families</p> <p>b) services that assist individuals to become economically independent</p>	<ul style="list-style-type: none"> <li>• General Welfare Assistance</li> <li>• Family Benefits Allowance</li> <li>• Supplementary Aid</li> <li>• Special Assistance</li> <li>• employment support (GWA, FBA)</li> <li>• Vocational Rehabilitation Services (VRS)</li> <li>• sheltered workshops</li> </ul>
<b>3. Facility-Based Care for Persons with Developmental Disabilities</b>	<ul style="list-style-type: none"> <li>• institutional services with cross-regional catchment areas</li> </ul>	<ul style="list-style-type: none"> <li>• Schedule I facilities</li> <li>• Schedule II facilities</li> </ul>
<b>4. Child Care</b>	<ul style="list-style-type: none"> <li>• the provision of formal and informal care of children and related services to assist parents in obtaining child care and information on parenting</li> </ul>	<ul style="list-style-type: none"> <li>• centre-based care</li> <li>• private home care</li> <li>• financial subsidies to parents in need</li> <li>• support services</li> </ul>
<b>5. Community-Based Support Services</b>	<ul style="list-style-type: none"> <li>• a community network of services that encourage and support individuals, including elderly persons and persons with physical, psychiatric, and development disabilities, to live as independently as possible in their home communities</li> </ul>	<p><b>Community-Based Residential Care</b></p> <ul style="list-style-type: none"> <li>• Homes for the Aged (municipal/ charitable)</li> <li>• community accommodation for persons with developmental disabilities</li> <li>• domiciliary hostels</li> </ul> <p><b>Transitional Care</b></p> <ul style="list-style-type: none"> <li>• halfway houses/rehabilitation programs</li> </ul> <p><b>Emergency Housing</b></p> <ul style="list-style-type: none"> <li>• Emergency Shelter and Assistance Program</li> <li>• family violence shelters/counselling</li> <li>• hostels and emergency shelters</li> </ul> <p><b>Home-Based Care</b></p> <ul style="list-style-type: none"> <li>• Homemakers and Nurses Services</li> <li>• Integrated Homemaker Program</li> <li>• home support services</li> <li>• attendant care</li> <li>• support services and lifeskills for persons with developmental disabilities</li> </ul> <p><b>Community/Family Support</b></p> <ul style="list-style-type: none"> <li>• Community and Neighbourhood Support Services Program</li> <li>• Elderly Persons' Centres</li> </ul> <p><b>Counselling</b></p> <p><b>Information and Referral</b></p>

in the case of facility-based care, the institutions are being phased out of existence or substantially downsized and replaced with community-based accommodation. And fourth, we considered the level of province-wide standardization in the service, in relation to the latitude for local flexibility. For example, income support provides the necessities of life to those in need and must be consistently available across the province to everyone who meets provincial eligibility requirements.

Because of its mandate, the Committee focused on the government-managed social service system. We realize, however, that there are many other services, mainly provided by the voluntary sector, that are outside the government-managed network. Voluntary organizations may receive some government grants for these services, but they are largely supported by charitable donations. The organizations include advocacy groups that lobby on behalf of disadvantaged people, self-help groups, community development and planning organizations, and others.

These services make an invaluable contribution to community life, particularly in the area of innovative new services. They respond quickly to emerging needs in the community. They are generated at the grassroots level and function best without formalized guidelines or regulations. We do not wish to minimize their importance by setting them outside the provincial-municipal management framework; rather, we wish to leave them in the environment in which they work most effectively. The Voluntary-Sector Reference Group told the Committee that there should be a distinction between basic services that should be part of the government framework, and those other services that are best suited to voluntary organizations. In Chapter 5, we discuss ways in which governments could provide grants to help fund these services.

## Basis for Assigning New Roles

In evaluating how to assign service management responsibilities, the Committee considered both the principles developed for managing the system outlined in Chapter 3 and the specific characteristics we attribute to effective service management.

### **Applying Our Principles**

We followed our principle of joint responsibility by disentangling and clarifying the roles of the two levels of government for management of specific services. The Committee paid particular attention to the principle that roles and responsibilities must be consistent with the capacities of the level of government assuming them. We looked at the nature of groups of related social services to see whether they were more appropriately a municipal or a provincial responsibility, considering the need for province-wide equity in the availability and standards of some services, and the need for local flexibility in others. We also specified that the necessary authority must accompany responsibility for management of a service. It is our view that our realignment of responsibilities, with its emphasis on management of an envelope of related services, would promote better planning and coordination within these service envelopes and encourage a more integrated approach to client needs. Consultation among the various participants in the system is also promoted in recommendations in this chapter.

### **Characteristics of Effective Service Management**

Based on the advice from consultations and on our own analysis, the Committee concluded that some basic assumptions must be part of effective service management. Since we have defined the management role as including authority over delivery, this discussion also includes references to delivery.

***Integrated Service Approach*** The social service system must be prepared to respond to the multiple needs of the individual. The integrated service approach suggests that a spectrum of services, provided by different service providers, should be managed and coordinated to provide clients with access to a range of services that support individuals and families living in communities and that provide assistance and protection to people with special needs. The delivery of services does not necessarily need to be integrated; they may continue to be provided by different agencies. But the system's response to clients with different categories of need must be managed in a way that reflects the interrelationship of needs. There should be clear points of entry to the system, reduced complexity of access, and more emphasis on coordination of assessment and referral services.

**Clarity and Disentanglement** All participants in the system must have clear roles and responsibilities that are understood by service providers, funders, and clients. Without such clarity, service quality and effectiveness are difficult to manage or evaluate. Wherever possible, roles should be disentangled to avoid overlapping jurisdictions and the possibility of duplication or gaps in service that can be caused by confusion over responsibilities and competing priorities.

**Local Authority or Provincial Regulation?** Service management responsibility should rest at the municipal level for those services for which local adaptation and control is appropriate. Services whose quality and quantity are heavily regulated by the province should usually be a provincial management responsibility, unless there is some overriding need for local management.

**Community-Based Delivery** Service delivery should be community-based to the greatest extent possible in order to maximize responsiveness to local conditions and needs and to promote client access to services. Whether the management role is a provincial or a municipal responsibility, it is important to maintain as much as possible the mix of community agencies delivering services.

**Experience and Success** Effective management should build on what is successful in the existing system, while allowing for necessary change. If there is to be a change in roles, it must be purposeful and must offer a measure of improvement to the system. The historical experience and current expertise of participants in the system, including MCSS, municipalities, and the voluntary sector, must be recognized and acknowledged.

## Assigning Responsibilities

First we consider which level of government should fulfill the role of legislation and policy development. Then we look at which level of municipal government (upper-tier or lower-tier municipalities) should be assigned the role of service manager when it is appropriately a municipal responsibility. Finally we consider service

management and delivery in each of our five service envelopes.

### **Legislation and Policy Development**

The Ministry of Community and Social Services has the responsibility to develop legislation, regulations, province-wide standards, and policies for social services in Ontario and to provide strategic directions for the system. MCSS itself must operate in accordance with the broad strategic directions of the government as a whole.

The responsibility to provide provincial direction for the social service system must remain with the Ministry. The government of Ontario has the legislative mandate for social services and the scope to establish policies for all regions of the province. If we are to have an equitable province-wide system, there must be some central direction. We have emphasized the importance of a decision-making role for the service manager, but we also acknowledge that there will always be a provincial role in legislating and policy-making for the system and that the manager will be required to operate within the scope of legislation, regulations, province-wide standards, and policy guidelines of the Ministry. However, as will be seen later in this chapter, there are variations in the degree of intrusiveness of provincial directions and regulations for different kinds of services.

Social services are also affected by the province's broader legislative and regulatory role. For example, the Committee recognizes that proposed changes in the system must be consistent with provisions of the French Language Services Act and human rights legislation.

Given that MCSS's role in legislation and policy development affects other participants in the system, we recommend that the Ministry consult widely, particularly with municipalities, to ensure that MCSS policy-makers and planners are aware of local priorities. The voluntary sector, which carries out the direct delivery role in many services, must also have an opportunity to review and comment on proposed new policies and program directions.

#### **Recommendation 1**

*The Ministry of Community and Social Services should be responsible for legislation and policy development for the social service system. This responsibility should be carried out in consultation with other participants in the system.*



## Municipal Structures

The Committee had to consider which level of municipal government should assume the service management role when it is appropriately a municipal responsibility.

In southern Ontario, in the current system, social services are mainly provided by regions and counties. However, there are a number of separated municipalities that provide their own social services and operate independently from the surrounding county municipalities.

Economies of scale and the need for coordination and planning across a broad geographic area led the Committee to decide that management of social services in southern Ontario is most appropriately carried out by the upper-tier municipal level, that is, the regions and counties. We note that our view agrees with that expressed in the report *County Government in Ontario*, which said that responsibility for social services should be at the county level, rather than at the lower-tier municipal level.<sup>1</sup>

*County Government in Ontario* also recommended that separated municipalities and counties should "join forces" and work towards either integration of the two structures or "an improved, more stable working relationship," particularly in the overseeing of shared services.<sup>2</sup> We support this direction and recommend that some cooperative arrangement be worked out by separated municipalities and counties to ensure that joint responsibility for the service management role is assumed by the two levels of municipal government. This could be done by a purchase-of-service arrangement or by a joint committee.

We make a distinction between southern and northern Ontario because structures in the North are different. As we noted earlier, there are no county governments in the North; there is one regional municipality, Sudbury, but social services for the region are currently provided by the Sudbury District Welfare Administration Board. The District Municipality of Muskoka operates like a region for the purposes of delivering social services. The ten districts

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1. Ontario, Ministry of Municipal Affairs, Consultation Committee to the Minister of Municipal Affairs, *County Government in Ontario: Report ...* (Toronto: The Ministry, 1989), p. 29

2. *County Government in Ontario*, pp. 35-36.

into which the North is divided are not municipalities; they exist solely for judicial and administrative purposes.

Social services across the North are administered by a range of providers, including the four district cities (Thunder Bay, Sault Ste. Marie, Timmins, and North Bay), six District Welfare Administration Boards, Homes for the Aged boards, and Children's Aid Society boards. In areas where there is no municipal organization, the Ministry of Community and Social Services is a major service provider.

We concluded that where there is a municipal government of a viable size – either a region or a district city – the municipality should take on the service management role. We recommend that in areas where there is no regional or district city government, the Ministry should fulfill the service management role.

- Recommendation 2** *In southern Ontario, the responsibilities of service management in the municipal sector should be carried out at the upper-tier level by regions and counties.*
- Recommendation 3** *Counties and separated municipalities in southern Ontario should develop cooperative arrangements for the service management role, either through mutual purchase-of-service arrangements or by joint committee structures.*
- Recommendation 4** *In northern Ontario, the responsibilities of service management in the municipal sector should be assumed by regions and district cities where they exist. In other areas, the Ministry of Community and Social Services should take on the role of service manager.*

### **Service Management and Delivery**

Allocation of management and delivery responsibilities for the five service envelopes is outlined below.

*Children's Services***Management Responsibility:** provincial**Delivery Responsibility:** provincial or voluntary-sector

- 
- child welfare
  - child and family intervention
  - child treatment
  - child development
  - community support
  - young offenders

*Service Management* Given that many children who come in contact with the social service system have multiple needs and require services from a variety of sources, it is important to manage children's services as an integrated package. Most of the services in this package require a high degree of provincial standardization and regulation. It would be inappropriate for one standard for child welfare or child treatment to prevail in one part of the province and another standard somewhere else. That is not to say that the services provided must be identical everywhere; not every town will have a children's treatment centre or a detention centre. But the regulations governing how and when a child is taken into care by a CAS or the rights of children in custody must be the same everywhere and therefore must be provincially regulated. All this, in addition to the province's historical experience and expertise in the children's area, argues in favour of continued MCSS management responsibility for the children's services envelope.

There are also important reasons to relieve municipalities of their nominal management role in child welfare. We have stated our intention to disentangle roles where possible, and this is clearly an opportunity to do so. Municipalities have little real authority in children's services, given that Children's Aid Societies are primarily answerable to MCSS. We recommend, therefore, that municipalities be relieved of their management responsibility on CAS boards. We will deal with the funding responsibility in Chapter 5.

**Recommendation 5** *The Ministry of Community and Social Services should provide service management for the entire envelope of children's services, including child welfare. Municipalities should no longer be required to participate in the management of Children's Aid Societies.*

**Service Delivery** As service manager, the Ministry is responsible for the effectiveness and efficiency of delivery. MCSS may take on the delivery role itself or it may enter into agreements with other organizations to deliver on its behalf. The decision on who will deliver rests with the Ministry as service manager. However, given that existing delivery arrangements between MCSS and voluntary organizations are working successfully, the Committee recommends that these arrangements continue in future. Voluntary organizations indicated their willingness and commitment to continue in their delivery roles in children's services. It is consistent with our desire to build on existing experience and success to maintain that vital voluntary-sector role.

**Recommendation 6** *The role of voluntary-sector organizations as delivery agents of children's services should be preserved and encouraged.*

#### ***Income and Employment Support Services***

We include income and employment support services in the same envelope because of the importance of employment to income support clients trying to make the transition to independence. However, we discuss income and employment support services separately because of their different characteristics.

The income support component of these services includes what is now municipally administered General Welfare Assistance (GWA) and the provincially administered Family Benefits Allowance (FBA). It also includes Special Assistance and Supplementary Aid, which are administered municipally on a discretionary basis under the GWA Act and provide additional assistance beyond basic benefits.

***Income Support*****Management Responsibility:** provincial**Delivery Responsibility:** municipal

- General Welfare
- Family Benefits Allowance
- Supplementary Aid
- Special Assistance

The existing income support program has been the subject of careful and comprehensive scrutiny by the Social Assistance Review Committee. Following recommendations of the SARC report, the Ministry is planning to introduce new legislation replacing the current General Welfare Assistance Act and Family Benefits Act. MCSS has taken steps to end differentiation of some benefits traditionally based on the categorization of clients under either GWA or FBA. Based on our collective experience with the existing program, and the information and analysis presented by SARC, we feel confident in supporting the recommendations of that committee. The recommendations in this section on service management and delivery are made in the expectation that the programs to be managed and delivered will be part of a new integrated and simplified legislative framework that provides greater fairness and equity to clients.

***Service Management*** Income support is – and must be – highly regulated and standardized by the provincial government. In the interests of equity to all persons in need, there must be provincial authority over the program to ensure that eligibility requirements are the same wherever the client lives. The income support program is intended to provide basic protection to individuals and families by ensuring that they have the necessities of life – food, clothing, and shelter. This kind of program is not conducive to local flexibility. Municipalities could deliver this program, but it is not possible to give them meaningful local management control over it. Therefore, income support should be a provincial management responsibility.



**Recommendation 7** *The Ministry of Community and Social Services should have service management responsibility for a new integrated income support program that combines the existing General Welfare Assistance and Family Benefits Allowance programs.*

In addition, the Committee believes that the local discretionary authority that is now part of the program must be minimized as much as possible to make the program fairer and more consistent across Ontario. In this view, we are concurring with SARC, which recommended that the province assume greater responsibility for an integrated program, with reduced discretion at the local level. We recommend that Special Assistance and Supplementary Aid be an integral part of the income support program, under provincial management authority, and no longer be at the discretion of municipalities. In practical terms this means that MCSS will set the rules for eligibility for these two programs, and there will no longer be major discrepancies between assistance provided to clients from one municipality to another.

**Recommendation 8** *Special Assistance and Supplementary Aid should be part of the integrated income support program under provincial management.*

**Service Delivery** Who should deliver the income support program is an important question. Since we have given MCSS the management responsibility, the decision on the delivery role rests with the province. However, the issues involved in that decision deserve some exploration.

Municipalities have built up a great deal of experience and expertise in the administration of GWA; many large municipalities also have a major commitment of personnel. Eight municipalities are delivering Family Benefits to sole-support parents on a pilot basis. Across the province, the Ministry of Community and Social Services has a large staff complement delivering Family Benefits. There is naturally concern among staff about where the delivery role will end up once the two programs are merged into one.

This committee agrees with SARC that there should be single-tier delivery for income support. SARC also recommended that municipalities should be that delivery agent, if they are capable of meet-

ing provincial criteria and if they are willing to take on the responsibility. This committee supports delivery of the income support program by municipalities. We debated this issue at length, and we concluded that we agree with SARC that municipal delivery would "capitalize on a tradition of local government involvement, promote closer contacts with and accountability to the local community, be more responsive to community needs, allow for greater innovation, flexibility, and accessibility, and provide closer links to other social and employment services at the local level."<sup>3</sup>

We considered which level of municipal government should perform the delivery role. We concluded that income support should be delivered by regions, counties, and northern district cities, all of which are already involved in delivery. Where these municipal structures do not exist, MCSS may contract with District Welfare Administrative Boards or with other agencies, or the Ministry should deliver the program itself. MCSS already delivers income support in large parts of northern Ontario where there is no municipal structure. We referred earlier to the different municipal structures that exist across Ontario, and the need to capitalize on what is working now. We believe our recommendations take into account both considerations.

**Recommendation 9** *Income support services should be delivered by regions, counties, and northern district cities. Where these municipal structures do not exist, the Ministry of Community and Social Services may contract with District Welfare Administration Boards or with other agencies, or may deliver the program itself.*

The Committee recommends municipal delivery based on the assumption that where there are appropriate municipal structures, municipalities will be the delivery agent. Across southern Ontario, all upper-tier municipalities should deliver. We do not support a system where municipalities may opt out of delivery. Therefore, the delivery role should be designated a mandatory municipal responsibility. Municipalities would not have management authority

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3. Ontario, Social Assistance Review Committee, *Summary [of Transitions: Report ...]*, prepared for the Ministry of Community and Social Services (Toronto: The Ministry, 1988), p. 73.

over the program but would act as agents under contract to MCSS. In order to avoid lengthy contract negotiations between the Ministry and every municipality, and to promote better intergovernmental relations, we propose that MCSS and AMO cooperate to draw up a model service delivery contract. This model contract would be used to resolve major provincial-municipal issues, such as how much latitude the delivery agent would have to set caseload standards or staffing ratios. Specifically local issues would be negotiated in separate municipal contracts.

**Recommendation 10** *Negotiations between the Association of Municipalities of Ontario and the Ministry of Community and Social Services on a model service delivery contract for the income support program should begin immediately.*

The Committee recognizes, in making these delivery recommendations, that implementation will be conditional on the ability of the two parties to reach agreement on the key elements of a model service delivery contract. Municipal delivery is contingent on such agreement.

The Committee has a concern about delivery to persons with disabilities who are recipients of Family Benefits. The choice of delivery agent for these income support clients depends on the longer-term timetable for reform of the program. SARC recommended that they become part of a new national disability pension and insurance scheme, but that they should continue to be served by MCSS in the interim. This committee feels that unless the prospect is imminent for implementation of some kind of special program for disabled persons, these clients should receive services from the same delivery agent as other income support clients.

**Recommendation 11** *If no alternative program is developed in the near future to replace the provincial income support program for persons with disabilities, such clients should be served by the same delivery agent as other income support clients.*

*Employment Support Services***Management Responsibility:** provincial\***Delivery Responsibility:** provincial, municipal, or voluntary-sector

- municipal employment programs (GWA)
  - provincial employment programs (FBA)
  - Vocational Rehabilitation Services
  - sheltered workshops
- \* Short-term recommendations; in the longer term, municipal management should be considered.

Employment support services are those services provided specifically to GWA and FBA clients under such programs as the Employment Opportunities Program, which provides employment counselling, referral, work placement, and other services. This envelope also includes employment support services for persons with disabilities, many of whom receive FBA. These include the Vocational Rehabilitation Services (VRS) program and sheltered workshops. There are many other employment programs offered by a range of service providers, including other Ontario government ministries, the federal government, and voluntary organizations. We believe these various programs should be coordinated as much as possible to ensure that they are accessible to the clients who need them. However, for our purposes, we include in this envelope only those services that fall under the jurisdiction of the Ministry of Community and Social Services, since the other programs are not part of our mandate.

*Service Management* In the current system, MCSS provides or purchases employment services for FBA clients and persons with disabilities; municipalities also provide employment support services for income support clients. Delivery often involves a brokerage role: staff help clients to gain access to the employment program they require, regardless of what level of government or service agency actually provides it. In considering future management of these services, this committee started from the premise that clients should not be separated into different categories. The system is moving towards providing more generic services that are ac-

cessible to a broad range of clients; persons with disabilities should be treated as much as possible as part of the mainstream.

Employment support services are important because they help income support clients make the transition to a more independent way of life. Unlike income support programs, they do not provide basic protection for individuals and families, and they are not highly regulated in the same way that the income support program is. Province-wide standardization and consistency of employment support programs are not needed.

The Committee felt that the characteristics of employment support services made them amenable to community adaptation according to local priorities. Based on these factors, a case could be made for municipal management of these services. However, in the short term, we are recommending that they be an MCSS management responsibility, and that in the longer term, municipal management be considered.

That decision is based largely on the fact that employment support services are in a period of transition. For example, funding for these services has been expanded and consultations are under way on their future design. In services to persons with disabilities, many sheltered workshops are being phased out; SARC made a number of recommendations for reform of the Vocational Rehabilitation Services program, which are under review. We have concluded that in the short term, service management for all employment support services should be assumed by the level of government managing the income support program, which is the province. This will ensure close ties between changes in the income support program, which is undergoing substantial reform, and employment support services, which are also in a period of change. However, in the longer term, when these services are more fully developed, we propose that municipal service management for employment support services be considered.

**Recommendation 12**

*Employment support services for income support clients should be managed by the Ministry of Community and Social Services in the short term. In the longer term, when these programs are more fully developed, municipal service management should be considered.*



**Service Delivery** We have made the point that employment support services for income support clients should be part of the same service management envelope as the income support program. This link is also important for delivery purposes. It is at the point of contact between client and income support caseworker that the initial identification of need for skills upgrading, training, and other assistance should be made. Therefore, the deliverer of income support should be involved in seeing that the client receives the appropriate employment support services. However, this does not mean that the delivery agent would necessarily deliver all the employment support received by the client. The agent could also purchase services.

**Recommendation 13** *The delivery agent for income support should ensure the provision of employment support services for income support clients, either by delivery or by purchase of service.*

***Facility-Based Care for Persons with Developmental Disabilities***

**Management Responsibility:** provincial

**Delivery Responsibility:** provincial or voluntary-sector

- Schedule I facilities
- Schedule II facilities

**Service Management** This envelope of services includes institutional care for persons with developmental disabilities in Schedule I and II facilities. MCSS is in the midst of a multi-year plan to phase out these residential facilities. Residents are gradually being transferred to smaller, more home-like community residences or to supported independent living arrangements. The current phase, which involves closing three regional facilities and scaling down several others, should be completed in 1994. Because these facilities are in a transitional phase, and because of the specialized nature of the institutional care and the Ministry's historical involvement in these services, we recommend that they remain a service management function of the province.

**Recommendation 14**

*The Ministry of Community and Social Services should retain service management responsibilities for facility-based care for persons with developmental disabilities.*

**Service Delivery** The gradual downscaling of these institutions will also reduce the delivery role over time. However, as long as these institutions remain, MCSS will continue to operate Schedule I facilities and community boards will continue to deliver services in Schedule II facilities.

**Child Care**

**Management Responsibility:** municipal

**Delivery Responsibility:** municipal, voluntary-sector, or private-sector

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- centre-based care
  - private home care
  - subsidies to parents in financial need
  - support services

This envelope includes all licensed child care services, both subsidized and unsubsidized. It also includes a variety of child care support services, such as parent resource centres and toy libraries. Although these services are obviously for children, we have put them in a separate envelope from other children's services for two reasons. First, the treatment, protection, and detention of children at risk are qualitatively different services than child care. Second, although both service envelopes are highly regulated, child care services are very much community services. Licensed child care operators may include municipalities, local churches, parents' employers, non-profit agencies, commercial enterprises, or neighbours. Increasingly, non-government operators are working in cooperation with local school boards and municipalities to develop on-site before-school and after-school child care programs.

**Service Management** The functions of service management in child care must include local planning, administration of subsidies, direct operation or purchase of services, licensing, inspection, monitoring and evaluation, community development, public information activities, and other support services.

The need for a range of child care options in communities and the importance of allowing communities to set their own priorities argue in favour of assigning to municipalities the role of service manager of child care. In addition, many municipalities have considerable experience and expertise in the field. Municipalities may be involved in child care either through directly operated services or through the purchase of services from other operators. About 60 municipalities purchase services, and 101 administer the subsidy program for low-income parents. Some municipalities have provided leadership in child care services and developed innovative programs.

Child care is subject to considerable regulatory control now, and this is not likely to diminish in the near future, given the high profile of this service and the heavy demand among the public for more accessible, affordable, and high-quality services. The Committee recognizes that child care services must be governed by provincial standards that ensure that the best interests of children are served. Having acknowledged the need for continuing provincial regulation, we also believe it should be possible for municipal service managers to be given sufficient authority over child care, within the Ministry's legislative, regulatory, and policy parameters, to provide effective management of the services in their communities.

*Recommendation 15      Municipalities should be required to assume responsibility for service management of all child care services within their jurisdictions.*

The Ministry of Community and Social Services is currently developing a new Child Care Act. This new legislation should contain provisions that allow for the transfer of appropriate service management authority to municipalities. The municipal sector should be consulted on the formulation of the new legislation before its introduction.

*Recommendation 16      The new provincial Child Care Act should provide for the transfer of appropriate management authority to municipalities. The municipal sector should be consulted before the introduction of the new act.*

It is also important that municipalities have a voice in the ongoing revision of provincial regulations and directions that will govern their management of child care. There must be mechanisms whereby municipalities can influence the development of the parameters within which they will operate, and there should be consultation before the introduction of new regulations or policies affecting child care.

**Recommendation 17** *The Ministry of Community and Social Services should consult with the municipal sector on regulations and policies related to local management of child care services.*

**Service Delivery** As service manager, the municipality would have the responsibility of determining and supervising delivery agents. It is our view that the variety of service providers that has been a consistent feature of child care services in many areas should be maintained. Child care agencies often work with municipal governments in establishing needed child care services locally. The contributions of this sector will continue to be invaluable to local service networks, and the expertise and community trust they have built up should be supported and encouraged.

**Recommendation 18** *Municipalities should continue to use a mix of child care delivery agents.*

#### **Community-Based Support Services**

**Management Responsibility:** municipal

**Delivery Responsibility:** municipal, voluntary-sector, or private-sector

#### **Accommodation with Care**

- Homes for the Aged (municipal/charitable)
- community accommodation for persons with developmental disabilities\*
- domiciliary hostels

#### **Transitional Care**

- Halfway houses/rehabilitation program

#### **Emergency Housing**

- Emergency Shelter and Assistance Program
- family violence shelters/counselling

- hostels and emergency shelters

#### **Home-Based Care**

- Homemakers and Nurses Services
- Integrated Homemaker Program\*
- home support services
- attendant care
- support services and lifeskills for persons with developmental disabilities\*

#### **Community/Family Support**

- Community and Neighbourhood Support Services Program
- Elderly Persons' Centres

#### **Counselling**

#### **Information and Referral**

\*. Service management responsibility for community-based accommodation with care and support services for persons with developmental disabilities should be assumed by municipalities in 1994. The Integrated Homemaker Program is excluded from municipal service management responsibility at this time.

This envelope includes a broad spectrum of services designed to provide community accommodation (long-term, short-term, and emergency), supported independent living arrangements, supports to individuals and families, and community information. By combining services such as home-based care for elderly persons, services for persons with a wide range of disabilities, and services for socially disadvantaged people into a single service envelope, we are creating the opportunity to manage similar services serving different categories of client in an integrated way.

*Service Management* The wide range of services in this envelope are all characterized by their community focus. They assist local residents to live and function as independently as possible either in their own homes or in alternative accommodation within their own communities. Municipalities have a history of involvement in a number of these services. Municipalities are required by legislation to administer Homes for the Aged; there is discretionary municipal involvement in such services as Homemakers and Nurses Services, Elderly Persons' Centres, home support services, emergency shelters, counselling, and community resource centres.



This service envelope is especially conducive to local management. The need for different kinds of community-based support services varies from community to community; because of the increasing proportion of elderly persons in the population, services such as Homes for the Aged and home support will continue to grow. Municipal government is in a good position to assess needs and set priorities, based on circumstances in the area, and to manage a continuum of care for elderly persons that ranges from care at home to residential facilities. Therefore, we recommend that municipalities be required to be the service manager for this envelope of services, with two exceptions.

The first exception involves persons with developmental disabilities. Municipalities have a longstanding involvement with services to elderly persons, but some do not have extensive experience with services to persons with developmental disabilities. In addition, as we have noted, institutional residential care for this client group is in transition. MCSS is working closely with voluntary organizations to create community accommodation and support services for former residents of Schedule I and Schedule II facilities. The Ministry is also strengthening and expanding support programs in communities throughout the province. The current phase of the multi-year plan to create more community accommodation and support services for persons with developmental disabilities is scheduled to end in 1994. In the intervening period, MCSS and the municipalities should work together to promote a smooth transition so that municipalities may assume service management of these community-based services when the current phase of the multi-year plan is completed. In addition, if our recommendations are adopted, municipalities will take on a number of new responsibilities. By delaying the assumption of municipal service management of services to persons with developmental disabilities, we are allowing some time for the system to adapt. Until the transfer, MCSS should retain management responsibility for community accommodation and support services for persons with developmental disabilities.

The second exception is the Integrated Homemaking Program (IHP), which operates in 18 Ontario municipalities, providing home-based care services, mainly to elderly persons. The program is delivered primarily by municipal public health units. There is a concern that this program is still in a developmental stage and there-

fore should remain under provincial management until program directions are clearer and implementation has more fully matured. The provincial government has indicated that IHP will eventually be expanded across the province. Municipalities would like to know more about how this program will evolve and how it will be expanded to more communities before considering whether to take on the role of service manager.

**Recommendation 19**

*Municipalities should be required to assume responsibility for service management of community-based support services in their jurisdictions, with the following exceptions:*

- *The Ministry of Community and Social Services should retain service management responsibilities for community-based accommodation and support services for persons with developmental disabilities until the current phase of the MCSS multi-year plan is completed, at which time management should be assumed by the municipal sector.*
- *Municipal management of the Integrated Homemaker Program should be considered only when program directions are resolved.*

The Committee wishes to highlight another issue related to management of the community-based support services envelope. Long-term care for elderly persons and persons with physical disabilities is currently under review by a provincial interministerial task force led by MCSS, which includes the Ministry of Health, the Office for Senior Citizens' Affairs, and the Office for Disabled Persons. The primary aim of reform in this area is better integration of services, including in-home services, family and care-giver support, and long-term institutional care beds. At this point, we do not know how the long-term care system may be defined by the task force and how this could affect the social service system, since long-term care bridges the social service and health systems. In particular, we are concerned about the potential impact on the municipal service management role in community-based support services, since this envelope now includes a number of social services for elderly persons and persons with disabilities.

The province has also indicated it is developing an Extended Care Act, which will apply to all Homes for the Aged and nursing homes.

We wish to emphasize that any proposed change to long-term care that would substantively affect this service envelope should be subject to further discussion between MCSS and the municipal sector. The understanding reached by the Committee on service management of community-based support services was established on the basis of the existing configuration of social services for elderly persons and persons with disabilities.

**Recommendation 20** *Any proposed change in the long-term care system that would substantively affect the municipal service management of community-based support services should be subject to further discussions between the Ministry of Community and Social Services and the municipal sector.*

MCSS is in the process of developing an omnibus Community Services Act, which should consolidate legislation for community-based support services. An omnibus act should enhance coordination, simplify administration, articulate goals, set standards, and provide a single mechanism for stable funding of these services. This new legislation should provide for the transfer of service management authority over these services to municipalities, including the authority to license and inspect services and facilities.

**Recommendation 21** *The new omnibus Community Services Act being developed by the Ministry of Community and Social Services should provide appropriate authority for municipal service management for the community-based support services envelope. The municipal sector should be consulted before the introduction of the new act.*

One type of service that requires specific attention is rest homes, which are currently unlicensed and not covered by any provincial legislation stipulating standards of care. These homes are now subject only to municipal by-laws for public health, fire safety, and building safety. There are an estimated 30,000 rest home beds in Ontario, serving a variety of clients, including frail elderly persons and persons with physical and psychiatric disabilities, who are an especially vulnerable group.

**Recommendation 22** *Municipalities should be given authority to regulate, license, and inspect rest homes if they choose to do so.*

We have already recommended that the municipal sector have a voice in the ongoing revision of regulations and policies related to child care. In the same way, municipalities should be consulted on changes in community-based support services, since they will be the service managers of these services.

**Recommendation 23** *The Ministry of Community and Social Services should consult with the municipal sector on regulations and policies related to management of community-based support services.*

*Service Delivery* As service system managers, municipalities will have responsibility for delivery. They may choose to deliver some services directly and to purchase the delivery for others. As in children's services and child care, the non-government sector is actively involved in providing many community-based support services. Many of these services were created by local voluntary organizations that identified unmet needs and took action to respond. Government has subsequently formalized the services in legislation or policies. The success of the voluntary sector in this area and the ongoing commitment of voluntary organizations should be supported and encouraged.

**Recommendation 24** *The role of voluntary-sector organizations as delivery agents of community-based support services should be preserved and encouraged.*

## Conclusion

This new framework for managing services is meant to ensure that the most appropriate level of government is responsible for service management. Where we have opted for municipal management, we have done so to promote local flexibility in meeting needs and to ensure effective local control over community response to needs. Where we have recommended MCSS responsibility, we have

based our decision primarily on the need for province-wide standards and provincial control over availability of services. We believe the assignment of responsibilities represents a beneficial realignment of roles and a reasonable balance in the joint management of the system.





## **Funding Arrangements**

The need to examine provincial-municipal funding arrangements in the social service system was one of the major reasons why the Provincial-Municipal Social Services Review was initiated. Municipalities had been pressing for some time for a reconsideration of the way programs are cost-shared. The Minister of Community and Social Services invited the Association of Municipalities of Ontario and the Ontario Municipal Social Services Association to participate in this tripartite review to see whether consensus could be reached on a new formula for funding.

Major municipal concerns about the current funding arrangements include:

- the impact of rapidly rising service costs on municipal budgets;
- increased municipal financial contributions because of provincial capping of some transfer payments;
- lack of municipal authority over the costs of programs that the municipality must cost-share, but over which it has no cost control (for example, income support, whose rates are set by the province but which is cost-shared by municipalities);
- the impact on municipal social service costs of provincial implementation of the initial stage of reforms of the income sup-

port program recommended by the Social Assistance Review Committee (SARC);

- the unequal impact of social service costs in various municipalities, caused by variations in service demands in communities and the varying ability of municipalities to raise revenues to pay for services;
- current anomalies in cost-sharing arrangements (for example, the province makes no net contribution to the municipal administrative costs of General Welfare Assistance, although there is some federal cost-sharing of these costs);
- unnecessary complexity in the funding ratios for various programs;
- pressures from outside the social service system, including rising demands for municipal dollars for environmental and other programs, the lack of any increase in provincial unconditional grants to municipalities in 1989-90, and the continuing transfer of new responsibilities from the provincial to the municipal government level, without an adequate transfer of funding capacity.

At the provincial level, there are also concerns about funding arrangements, including:

- the impact of federal government cutbacks and program withdrawals on Ontario's fiscal position;
- the need to manage resources effectively during a period of constraint and program reform;
- the impact of the varying municipal ability to pay on the equitable distribution and quality of services;
- the need for the outcome of new cost-sharing arrangements to reflect approximately the same relative financial balance between the province and the municipal sector that exists under present arrangements;
- unnecessary complexity of funding ratios and resulting administrative and related cost inefficiencies.

In proposing a new approach to funding arrangements in the social service system, the Committee has attempted to deal with the concerns of both levels of government. It has also taken into account

the views of the voluntary sector that cost-sharing arrangements should recognize local financial capacities and reinforce accountability for budgets and standards.

**Voluntary-Sector Contribution** No discussion of funding of social services in Ontario would be complete without reference to the major contribution of the voluntary sector. The United Ways alone raised about \$100 million in charitable donations in Ontario in 1988; those funds were allocated to a variety of community agencies, many of them social and health agencies. In addition, many other voluntary organizations do their own fundraising for social services. The exact amount of the voluntary-sector contribution to the system has not been calculated, but it is clearly significant. There is voluntary-sector financial participation in such services as child care, charitable Homes for the Aged, home support services, and a variety of services for persons with disabilities. The voluntary sector is also highly valued for its financial support for the development of new and innovative community services that are not part of the government-funded social service system. In addition to actual dollars raised, the sector provides a significant contribution to communities through the many hundreds of hours of time donated by volunteers who are involved with a variety of organizations.

In the discussion of funding arrangements that follows in this chapter, we have not presumed to suggest to the voluntary sector how it should allocate its charitable donations. The Voluntary-Sector Reference Group made it very clear that government should not interfere in the financial decision-making of voluntary organizations. We concur, and we have been careful to set the voluntary-sector contribution outside our analysis of provincial-municipal cost-sharing.

**Other Concerns** As was the case with service management, the Committee is aware of other concerns, expressed during consultations, that do not relate directly to the subject of this chapter. There were comments, for example, on adequacy of funding. However, the question of whether particular programs are underfunded was not part of our terms of reference. We did not have the mandate to evaluate some 30 different program areas to assess effectiveness and funding levels. The Committee's deliberations con-

centrated on developing a new funding framework for the system to address the issues of concern in the provincial-municipal relationship. The new cost-sharing arrangements described in this chapter are linked to and support the new provincial-municipal roles and responsibilities we recommend in Chapter 4. By aligning funding and management responsibilities, we strengthen the ability of service managers to operate efficiently and effectively.

This chapter outlines current funding issues, particularly with reference to the pressures on the provincial-municipal relationship, and reviews the highlights of the Committee's consultations. Then we describe how we decided on a new funding framework and outline a new approach to funding arrangements, including recommendations for a significant realignment of responsibilities.

## Current Funding Issues

MCSS and the municipalities currently cost-share in four major program areas: child welfare, General Welfare Assistance (GWA), child care, and services for elderly persons. To a lesser degree, they also share the costs of other community-based services. Municipalities also incur expenditures in non-shared administration costs and non-shared social service grants. In 1988-89, the total share of the municipal sector amounted to almost \$430 million, while Ministry expenditures in these cost-shared programs amounted to almost \$1.4 billion (including federal reimbursement; see page 120). Table 5-1 shows the expenditure breakdown in these program areas for the provincial fiscal year 1988-89 and the municipal fiscal year 1986. Expenditures for both levels of government over that period increased approximately 35 per cent. The table also shows MCSS expenditures not cost-shared with municipalities; in 1988-89, they amounted to \$2.9 billion. (Appendix H contains a detailed breakdown of municipal and provincial expenditures for both fiscal years.)

The pressures on the provincial-municipal partnership are most acute in the area of funding arrangements. Rising social service costs are affecting both levels of government. But owing to the variations in municipalities – particularly in their ability to raise



TABLE 5-1  
Current Provincial-Municipal Expenditures  
with Program Cost-Sharing Ratios  
for 1986 and 1988-89 (\$M)

COST-SHARED PROGRAM DESCRIPTION	1986 ACTUAL EXPENDITURES				1988-89 ACTUAL EXPENDITURES			
	Municipal Share	%	Provincial Share	Total	Municipal Share	%	Provincial Share	Total
Child Welfare	\$43.4	18.9	\$185.8	\$229.2	\$52.8	18.1	\$239.7	\$292.5
General Welfare Assistance	152.4	24.0	482.3	634.7	193.9	22.3	673.8	867.7
Child Care	23.3	19.8	94.8	118.1	35.8	19.6	145.6	181.4
Services for Elderly Persons	67.6	21.3	249.9	317.5	105.9	24.3	329.6	435.5
Non-Shared Municipal Administration	17.5	100.0	0	17.5	22.9	100.0	0	22.9
Non-Shared Municipal Grants	14.9	100.0	0	14.9	17.7	100.0	0	17.7
<b>Total Cost-Shared Programs</b>	<b>\$319.0</b>	<b>24.0</b>	<b>\$1,012.7</b>	<b>\$1,331.7</b>	<b>\$429.0</b>	<b>23.6</b>	<b>\$1,388.7</b>	<b>\$1,817.0</b>
<b>All Other Provincial Programs (MCSS)</b>	<b>0.0</b>	<b>0.0</b>	<b>2,154.6</b>	<b>2,154.6</b>	<b>0.0</b>	<b>0.0</b>	<b>2,923.0</b>	<b>2,923.0</b>
<b>Total Social Service Programs</b>	<b>\$319.0</b>	<b>9.2%</b>	<b>\$3,167.3</b>	<b>\$3,486.3</b>	<b>\$429.0</b>	<b>9.0%</b>	<b>\$4,311.7</b>	<b>\$4,740.7</b>

Note: These expenditures include some that are eligible for federal cost-sharing.

local tax revenues and in their differing social service needs – the impact of rising costs is uneven at the local government level across Ontario. The relationship is further affected by provincial decisions about the annual level of conditional and unconditional grants to municipalities and about specific social service rates and subsidies that are cost-shared by both levels of government.

### **Rising Social Service Costs**

The costs of social services to both the province and the municipalities have been rising at a faster rate than all government expenditures taken together. Spending by the Ministry of Community and Social Services rose an average of 13 per cent a year in the decade 1978-79 to 1988-89, compared with 10 per cent for the government as a whole. The Ministry's share of total government spending increased from 8 to 11 per cent over that period.<sup>1</sup> In the municipal sector, gross social service expenditures (including provincial transfers) increased an average of almost 13 per cent a year between 1977 and 1986, compared with an annual average increase of 10 per cent in total municipal operating expenditures. Social services represented over 13 per cent of operating expenditures by municipalities in 1977; by 1986, that share had risen to 17 per cent.<sup>2</sup>

The trend of consistently rising costs, coupled with the growth in the proportion of provincial and municipal budgets consumed by social services, shows no signs of tapering off.

### **Federal Contribution**

The federal government also shares in the costs of social services under the Canada Assistance Plan (CAP), Established Programs Financing (EPF), a federal-provincial cost-sharing agreement for health services and post-secondary education), the Vocational Rehabilitation of Disabled Persons Agreement, and other programs. Table 5-2 shows the net costs and the relative shares of the three levels of government in Ontario in 1988-89. The federal share is around one-third. All further references to provincial

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1. Ontario, Ministry of Treasury and Economics, "Budget Paper D: Expenditure Profile of Ministry of Community and Social Services," in *1989 Ontario Budget* (Toronto: May 17, 1989).

2. *Summary of Ontario Municipal Statistics 1977-1986* (Toronto: Ministry of Municipal Affairs, [1989]).

TABLE 5-2

Federal-Provincial-Municipal Cost-Sharing  
of Current Social Service Expenditures for 1988-89

1988 - 89 EXPENDITURES (\$M)						
	Net Municipal Share	%	Net Provincial Share	%	Estimated Federal Reimbursement	Total
Provincial-Municipal Programs	\$429.0	23.6	\$746.7	41.1	\$642.0	\$1,817.7
Provincial Programs	0.0	0.0	\$1,982.1	67.8	\$940.9	\$2,923.0
Total Net Cost-Shared Expenditures and Percentages	\$429.0	9.0	\$2,728.8	57.6	\$1,582.9	\$4,740.7

expenditures in this chapter refer to gross provincial costs, which includes those expenses eligible for federal cost-sharing.

Like the province and the municipalities, the federal government is spending more, in absolute dollars, on social services. However, the Ontario government has expressed concern that the federal government is reducing its commitment to some cost-sharing programs with the provinces. The annual growth rate in EPF has been reduced by 1 per cent, and the federal government has also deferred its Canada Child Care legislation, which was to have infused some \$4 billion into child care across the country.

### Municipal Fiscal Limitations

Municipalities have pointed out for many years that the senior levels of government have much more fiscal manoeuvrability than the municipalities. Although there is concern at all levels of government about rising costs, there is a major difference in the ability of governments to raise revenues. The senior levels of government raise revenues through personal income and corporate income taxes, sales taxes (both retail and wholesale), gasoline tax and the so-called luxury taxes (on liquor and cigarettes), and a variety of other revenue sources. Municipalities, on the other hand, raise revenues locally from a limited range of sources: property taxation (residential and business), user fees, and other charges. The muni-

icipal sector as a whole is heavily dependent on provincial transfer payments, in the form of conditional and unconditional grants. Between 1982 and 1987, provincial transfers grew more slowly than local taxation as a source of municipal revenues: transfers increased an average of 7.2 per cent a year, while local taxation went up by 8.6 per cent.<sup>3</sup>

Unlike senior levels of government, municipalities are not allowed by law to run operating deficits. Municipalities must balance their annual budgets. They are also restricted by legislation in their ability to issue long-term debt on capital projects. Senior governments not only can spread their tax increases over a number of revenue sources in any one year, they also can operate with a deficit.

### **Provincially Imposed Ceilings**

Municipalities are concerned about the impact on municipal budgets of provincial government decisions on rates, subsidies, and grants. Municipalities contend that the province is placing unrealistic limits on some of its transfer payments. For example, the province has put a ceiling on 1989 increases in the per-diem subsidy on extended care in municipal Homes for the Aged; municipalities have objected that in most cases they cannot meet negotiated salary increases at the local level within the provincial ceilings. There are similar concerns about provincial transfers for child care and purchase of counselling services. The result of provincial ceilings is increasing pressure on municipal budgets.

### **Variations in Municipalities**

Municipalities across Ontario all share in the costs of social services, but their capacity to raise revenues varies. Small, rural, and northern municipalities tend to have limited property tax bases. Some rely heavily on residential taxes; large urban municipalities, on the other hand, may have substantial industrial or commercial tax bases. Property values differ from municipality to municipality, and the calculation of assessments is not consistent across Ontario, or even within municipalities. (Comparative information on the growth and variation in assessments within and among munici-

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3. Ontario, Ministry of Treasury and Economics, "Budget Paper E: Municipal Government Finance," in *1989 Ontario Budget* (Toronto: May 17, 1989.)

palities is not available.) However, it is clear that most of the province's business and industry is concentrated in the urbanized South. The amount that can be raised by a one-mill increase in property taxes varies a great deal from one municipality to another. These variations mean that a municipal taxpayer in a northern district may have to pay more to get the same level of service than a property taxpayer in a municipality that has a broader and more flexible assessment base.

Municipalities also vary considerably in the social service needs in their communities. One municipality may have a higher proportion of elderly residents requiring care, while another may have a large number of residents in need of income support. The services provided also vary. Some large cities have an extensive network of social services, while some smaller municipalities have only a very limited network.

An indication of the varying impact of social service expenditures on municipalities can be seen in the percentage of total spending devoted to social services. In 1986 (the latest year for which comparisons are available), the regional municipalities (including Metropolitan Toronto) spent an average of about 16 per cent of their budgets on social services, according to the Ministry of Municipal Affairs. By comparison, municipalities in northern districts spent about 23 per cent. In counties, social services took up 20 per cent of municipal budgets, while in separated cities within counties, the percentage was about 17. However, it is difficult to make direct comparisons. For example, the responsibility for funding services (such as policing and public transit) varies according to the type of municipality.

### **Resource Equalization and Unconditional Grants**

A resource equalization component in the provincial unconditional grants program and in some conditional grant programs addresses the variation in municipal fiscal capacities. Resource equalization is an intergovernmental funding transfer mechanism designed to improve the fiscal capacity of municipalities with below-average tax bases, in order to increase their ability to maintain and upgrade local services without creating an excessive financial burden for local ratepayers.

However, there is concern on the part of both municipalities and the province that current provincial-municipal transfers are not



working as effectively as they should. The conditional grants are currently being reviewed by a provincial interministerial committee. A joint municipal-provincial Advisory Committee to the Minister of Municipal Affairs on Provincial-Municipal Financing Matters is also reviewing the current transfer payment system. In addition, the Ministry of Municipal Affairs is conducting its own review of the unconditional grants program, including the resource equalization component.

The existing resource equalization formula no longer takes into account the variation in service needs from municipality to municipality. Municipalities are particularly concerned that equalization is being undermined by provincial decisions on unconditional grants. There has been a shift in the proportion of conditional versus unconditional grants that municipalities receive from the province. Conditional grants, which are tied to specific programs, made up about 70 per cent of provincial transfers in 1982, and 73 per cent in 1987. Unconditional grants, which are allocated by the municipality according to its priorities, decreased as a share of provincial transfers from 26 to 23 per cent in the same period.<sup>4</sup> Furthermore, the province has frozen its unconditional grants in 1989-90 at the previous year's level. Because of the equalization factor, reliance on unconditional grants varies considerably among municipalities. For example, these grants made up less than 6 per cent of Metro Toronto's operating revenues in 1986, compared with 20 per cent in northern districts and district cities, according to the Ministry of Municipal Affairs.

### **General Welfare Assistance**

The General Welfare Assistance program (GWA) is discussed separately here because of its important impact on municipal social service budgets and the counter-cyclical nature of its impact. GWA constitutes the largest single component of municipal government social service spending, and in recent years it has been the fastest-growing component. It has increased from around 40 per cent of total social service expenditures in the late 1970s to almost 50 per cent today. Municipalities are required by legislation to pay 20 per

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4. Ontario, "Budget Paper E."

cent of the allowances and benefits of GWA to anyone in their communities whose need meets the eligibility requirements of the program. In addition, municipalities cost-share approved administration costs on a 50-50 basis and pay 100 per cent of unapproved administration costs. The financial burden on municipalities is not a controllable one: if there is an economic downturn, and many residents in the community need income support, the municipality must come up with its share.

It has also been noted by the Social Assistance Review Committee and others that municipal GWA budgets tend to rise at the very time when the municipality is least able to afford the additional costs. When times are tough, industrial plants close down and municipal tax revenues are reduced; this is also when people without unemployment insurance apply for welfare. In northern Ontario, the closing of a mine or lumber mill can devastate a community economically. As we have already noted, municipalities cannot deal with an unexpected increase in GWA costs by running an operating deficit in a bad year; their fiscal options are limited.

The provincial government has recently implemented significant reforms to the income support program, including benefit increases, after considering the recommendations of SARC. These reforms are having a significant impact on municipal budgets. Although SARC recognized that these would be short-term cost impacts, municipalities are concerned that they are having to absorb these costs because one of SARC's major recommendations has not been acted upon: that allowances and benefits should be fully funded by the senior levels of government.

### **Cost-Sharing and Municipal Authority**

A major issue for municipalities is the cost-sharing of programs over which they have little or no authority. If they are going to commit municipal dollars to a program, they want to have some control over how those dollars are spent.

The municipalities have long objected to having to pay 20 per cent of Children's Aid Society budgets. As already indicated, General Welfare Assistance is another program in which municipalities must cost-share, but the allowances and benefits are set by the provincial government, as are the regulations governing how the program is administered. When the province makes decisions to

change one of those regulations (for example, changes in 1988 in shelter subsidies and the rule governing a "spouse in the house"), there is usually financial fallout for municipalities.

### **Cost-Sharing: Complexities and Anomalies**

The complexity of the current cost-sharing arrangements is probably best illustrated with a listing of all the programs and their respective ratios (see Table 5-3). In many cases, the rationale for the difference in cost-sharing between one program and another is no longer clear to either party. The ratio may have been set several decades ago, and the reason for it long forgotten, while programs have changed in the meantime.

Two major concerns raised by municipalities relate to the lack of provincial contribution (after federal cost-sharing) to the administration costs of General Welfare Assistance, and the costs of Special Assistance, a program providing additional assistance to recipients of GWA and emergency assistance to others in need. The federal contribution is 50 per cent of municipal administration costs approved under the Canada Assistance Plan; for unapproved expenses, which include rent, telephone, supplies, postage, accounting, and janitorial services, neither the federal nor the provincial government makes any contribution and municipalities must bear 100 per cent of the costs. Special Assistance, which municipalities may provide at their discretion, is shared 50-50 with the federal government. Supplementary Aid is a similar discretionary program, administered by municipalities, mainly for recipients of provincial Family Benefits. It is cost-shared on an 80-20 provincial-municipal basis.

In the view of municipalities, these anomalies are illogical and counter-productive because they tend to influence the provision of services. For example, under different cost-sharing ratios for Special Assistance and Supplementary Aid, a municipality that has a small social service budget is forced to choose between spending 20-cent or 50-cent dollars on clients who may have the same need for assistance. Or the municipality may not be able to afford or may not choose to pay for either program. In addition, the difference in cost-sharing is based not on financial criteria but on the categorization of clients under FBA or GWA.

Municipalities are also concerned about annual provincial funding

**TABLE 5-3**  
**Federal-Provincial-Municipal**  
**Cost-Sharing Ratios - 1989**

Provincial/Municipal Programs	Federal Share	Net Provincial Share	Gross Provincial Share	Net Municipal Share	Net <sup>a</sup> Other
General Welfare Assistance (GWA)					
- Allowances	50	30	80	20	--
- Special Assistance	50	--	50	50	--
- Supplementary Aid	50	30	80	20	--
- Hostels (domiciliary and emergency)	50	30	80	20	--
Municipal Administration Costs - GWA	50	--	50	50	--
Purchase of Counselling Services	50	30	80	20	--
Work Activity Projects	50	30	80	20	--
Employment Opportunities Program	50	30	80	20	--
Municipal Homes for the Aged					
- Operating	c	70	70	30	--
- Capital	--	50	50	50	--
Elderly Persons' Centres					
- Operating	--	50	50 <sup>d</sup>	min of 20	30
- Capital	--	30	30	min of 20	50
Homemaker Services	50	30	80	20	--
Nurses Services	c	c	80	20	--
Home Support Services	50 <sup>e</sup>	70	70	variable	30
Children's Aid Societies					
- Operating	50	30	80	20	--
- Capital	--	80	80	variable	variable
Child Welfare Municipal Grants	--	50	50	50	--
Child Care (Day Care)					
- Operating	50	30	80	20	--
- Capital	f	--	50	50	--
<b>Provincial Programs</b>					
Family Benefits Allowance (FBA)	50	50	100	--	--
Homes for the Aged (charitable)					
- Operating	c	80	80	--	20
- Capital	--	variable	variable	--	balance
Ministry Purchase of Counselling and Support Services	50	50	100	--	--
Integrated Homemaker Program	50 <sup>g</sup>	50	100	--	--
Sheltered Workshops - Physically Disabled	40	40	80	--	20
Training Expenses (VRS Act)	50	50	100	--	--
Rehabilitation Services for Disabled Persons	50	100	100	--	--
Credit Counselling	30	30	60	--	40
Attendant Care for Physically Disabled	45	55	100	--	--

(Continued on next page)

TABLE 5-3

Federal-Provincial-Municipal  
Cost-Sharing Ratios - 1989 (continued)

Provincial Programs	Federal Share	Net Provincial Share	Gross Provincial Share	Net Municipal Share	Net <sup>a</sup> Other
Halfway Homes	40	40	80	--	20
Community Support Services (Children)	50	50	100	--	--
Child and Family Intervention Services	50	50	100	--	--
Child Care - Approved Corporations					
- Operating	40	40	80	--	20
- Operating (Disabled)	50	50	100	--	--
- Operating (Preschool)	43	43	86	--	14
Child Care Approved Corporations - Capital	f	f	80	--	20
Child Treatment Services	--	100	100	--	--
Young Offenders Services	50	50	100	--	--
Children's Aid Societies - Operating (Native)	95	5	100	--	--
Schedule I Facilities					
- Operating	c	c	100	--	--
- Capital	c	c	100	--	--
Schedule II Facilities					
- Operating	c	c	100	--	--
- Capital	--	67	67	--	33
Homes for Retarded Persons					
- Operating	c	c	80	--	20
- Capital	--	80 <sup>b</sup>	80 <sup>b</sup>	--	balance
Community Accommodation					
- Developmentally Disabled Children	50	50	100	--	--
Services for Developmentally Disabled					
- Sheltered Workshops	50	50	100	--	--
- Lifeskills	50	50	100	--	--
- Protective Services	50	50	100	--	--
- Support Services	c	c	100	--	--

a Net Other includes contributions from the voluntary sector and user fees.

b Lesser of 80% or \$15,000.

c Established Programs Financing (block funding).

d To maximum of \$30,000 for 12-month period.

e For clients in need according to CAP definitions.

f 50% of depreciation under CAP.



levels for programs such as child care, as these may be considered by a municipality to be inadequate to meet local service needs. Municipalities are therefore faced with having to spend 100-cent locally raised tax dollars for program expenditures that exceed provincially approved budgets.

## Highlights from Consultations

The following are highlights from the Committee's consultations on funding arrangements.

- The fiscal disparity among municipalities has an impact on the availability and quality of services across the province. Ways must be found to redress this fiscal imbalance if social services are to continue to be cost-shared and consistently available. Suggestions for addressing the ability-to-pay issue included an improved resource equalization formula, changes in the system of unconditional grants to municipalities, some kind of per-capita provincial social service grant to municipalities, and a method of capping municipal social service expenditures.
- Municipal discretion to decide whether to fund certain services (such as Special Assistance) also causes disparities in the availability of those discretionary services from community to community. A major proposal from the consultations was that the provincial government should fully fund essential services to ensure that they are available across Ontario. There was a wide variety of opinion on what should constitute this mandatory group of services, but services such as income support and child welfare, which must be provided by law, were usually included.
- Municipalities indicated they should have more authority over services they cost-share; they also stated that municipalities are paying too much towards social service costs now. Opinions varied on the issue of whether municipalities should have to pay a share of the costs of a service they deliver in order to be consulted on its management.
- Affordability is a common concern among all funders. Expectations of the social service system are seen to be increasing, with

growing pressure on, and competition for, both the tax dollar and charitable donations. There is growth in existing services, such as income support, and demand for expanded services, such as child care and community support services for elderly persons and persons with disabilities.

- There is a need for greater stability and predictability in funding. Both municipalities and members of the voluntary sector said that changes in provincial ceilings on program expenditures and transfer payments from year to year cause budget difficulties at the local level. Program changes initiated at Queen's Park that require an additional local financial contribution in the midst of a fiscal year often create unanticipated problems in service and budget planning.
- Municipalities object to having to bridge the gap between what the province agrees to fund and the actual costs of a particular service at the local level.
- Funding arrangements are unduly complex, which adds to administrative costs and confusion. There is no apparent logical rationale for the differences in funding ratios for different services. Sometimes these differences can lead to program distortions. Programs tend to be driven by cost-sharing ratios rather than by the need for service.
- The voluntary sector should not have to fund basic services, such as income support. Funds raised through voluntary efforts should be used to provide services that enhance and enrich community life.
- The appropriateness of the property tax to fund social services was challenged by many groups, usually because of a perception that it is a regressive tax. It was also pointed out that there is great variety in the property assessment system.

## A NEW APPROACH TO FUNDING ARRANGEMENTS

### Basis for a New Funding Framework

Clearly the province and the municipalities approached funding issues from differing perspectives. This report is the result of a concerted effort by the Committee to determine what might be acceptable to both parties.

#### **Applying Our Principles**

The principle of joint responsibility that we established early on in our review is crucial to the new funding arrangements proposed in this chapter. We recognize that both the province and the municipalities should participate in managing the social service system, and we believe that joint responsibility for the effective and efficient operation of the system requires a financial commitment from both levels of government. The parties to this review agree that since funding is obviously a necessary part of operating the system, joint responsibility requires that both the province and the municipalities must participate financially. In deciding where that financial contribution should be made, we looked at the service envelopes described in the previous chapter. Following the principles that respective roles and responsibilities must be clear and that authority must be commensurate with responsibility, we have endeavoured to disentangle financial responsibilities and to link financial responsibilities with the appropriate service management roles. We have tried to ensure that where there is no management authority, there is also no financial obligation.

We weighed the principle of provincial responsibility for equitable distribution of services and application of province-wide standards against the need to accommodate local priorities where possible. Where we find the first principle to be paramount – programs that clearly require equitable access and standards across Ontario, with little or no room for local adaptation – we recommend that the province be responsible for funding. On the other hand, we recommend municipal cost-sharing of those services most amenable or responsive to local authority.

Since our principles also say that responsibilities must be consis-

tent with capacity, we considered variations in municipalities' ability to pay for services, and the option to appeal an insupportable financial burden at the municipal level. Our recommendations also recognize that fiscal realism is a factor in decision-making for both levels of government. And in keeping with our principles, we make recommendations on the need for consultations between the province and the municipalities to work out specific ways of dealing with the proposed changes in funding arrangements.

### **Characteristics of Effective Funding**

In considering a new approach to funding arrangements, the Committee took a number of factors or conditions into account. The following premises formed the basis upon which the Committee made its decisions on the future of funding arrangements.

***Linking Service Management Authority and Financial Responsibility*** Municipalities should cost-share only those services over which they have some authority. To ensure that cost-sharing and authority are linked, there should be a relationship between service management and financial contribution. We have already recommended that two service envelopes – child care and community-based support services – be managed at the local level. Those service envelopes should logically be the ones to carry cost-sharing responsibilities for municipalities, since it is in those two areas that the municipalities would be involved in the service management role.

***Provincial Regulation with Local Flexibility*** The Ministry of Community and Social Services has legislative and regulatory responsibility for social services across the province as a whole. It also issues policies, regulations, and guidelines governing social services across Ontario. However, these may be more or less prescriptive and intrusive. In those service envelopes that we recommend be managed by municipalities, provincial guidelines should allow sufficient latitude for substantial local management control over both service development and costs. Otherwise, the advantages of local service management – greater flexibility in meeting emerging needs in particular communities and greater accountability at the local level – would be lost. Provincial grants should be sufficiently

flexible that municipalities can plan and allocate resources according to locally set priorities. Decisions about funding allocations should also be made in a timely fashion to allow municipalities to plan their budgets.

Another municipal concern is the need for a consistent application of provincial resources to match the level of provincial regulation. If the province chooses to enforce a high level of standards in a program, it should provide sufficient resources to implement those standards across Ontario. If the province decided, for example, to introduce new and stricter standards for home-based care for elderly persons, it should recognize the additional costs involved in meeting those standards.

***Municipal Fiscal Capacity*** One of the municipalities' major concerns is the ability to pay. This concern is twofold. First, there is the concern about the capacity of municipalities in general to pay for programs like GWA that are open-ended (based on need) and counter-cyclical in their impact, with the limited financial levers at their disposal. The second concern is the varying ability to pay among municipalities, given differences in their tax bases and in the level of need in their communities.

***Simplification*** Another premise on which we made decisions was the need to reduce the complexity of funding arrangements. Currently, funding ratios vary widely, depending on the funding rules for the program. A simple, easily comprehensible funding system would help to demystify and clarify financial responsibilities and reduce administrative complications.

***Future Consultations*** It was agreed that a formal mechanism for regular provincial-municipal consultation is needed to deal with future changes in program development and their impact on cost-sharing. The recommendations made in this report are based on current circumstances; it is impossible to predict what changes may occur in the system even five years from today. Therefore, improvements to the system must include a method of adapting to change, through regular consultation, that will avoid a crisis-oriented, ad hoc approach and foster cooperation and planning.



## Methodology of Financial Analysis

It is appropriate here to comment briefly on some aspects of our methodology of financial analysis.

### Testing of Proposed Cost-Sharing Arrangements

In approaching the subject of cost-sharing arrangements, the Committee had to consider the provincial zero-sum strategy. The provincial position is that any proposed funding changes should not result in either the provincial government or the municipal governments having to pay an increased proportion of overall social service costs. Should new funding arrangements result, for example, in the province paying a greater share of total costs, offsets would have to be found in other municipal transfer payments – outside the social service system – to balance accounts.

Municipal representatives considered the provincial zero-sum strategy a serious constraint on Committee deliberations. The municipal sector would prefer to contribute less overall to social services; municipalities do not want to be tied to paying a fixed percentage of an ever-increasing financial obligation over which they have limited control. Municipal representatives expressed concern about the strategy's financial impact on the municipal sector as a whole, and on individual municipalities. Despite these reservations, the Committee sought a reasonably balanced solution.

The financial data for municipal and provincial expenditures for 1986 were obtained by using the actual municipal expenditure figures for the 1986 municipal fiscal year, which corresponds to the calendar year. As the provincial fiscal year runs from April 1 to March 31, 25 per cent of the Ministry's actual expenditures for 1985-86 and 75 per cent of expenditures for 1986-87 were used in order to correlate them to municipal expenditures. For 1988-89, the provincial fiscal year was used, showing actual Ministry expenditures from April 1, 1988, to March 31, 1989. The figures used for municipal expenditures reflect their actual expenditures as reported in relation to the subsidies provided by the Ministry to the municipalities for this period.

The municipal non-shared expenditure data for 1986 and 1988, as outlined in Table 5-4, were obtained through two questionnaires sent by the Committee in the fall of 1987 and spring of 1989 to upper-tier and lower-tier municipalities. The data are based on a

TABLE 5-4

Municipal Non-Shared Grants and  
Non-Shared Administration Costs for 1986 and 1988\* (\$'000)

Program Description	Non-Shared Expenditures 1986	Non-Shared Expenditures 1988
<b>Child Welfare</b>		
Non-Shared Grants	\$1,818.9	\$290.9
<b>Income Support Services</b>		
General Welfare Assistance - Non-Shared Administration	17,016.9	22,393.2
<b>Employment Support Services</b>		
Non-Shared Grants	788.2	609.9
<b>Child Care</b>		
Non-Shared Administration	197.0	12.2
Non-Shared Grants	2,016.6	829.8
<b>Accommodation with Care</b>		
Municipal Homes for the Aged - Non-Shared Administration	230.0	636.5
<b>Emergency Housing</b>		
Non-Shared Grants	378.6	224.0
<b>Home-Based Care</b>		
Homemakers and Nurses Services - Non-Shared Administration	12.5	74.4
Non-Shared Grants	64.9	80.5
Home Support Services - Non-Shared Grants	2,225.5	756.4
<b>Community/Family Support</b>		
Community & Neighbourhood Resource Centres - Non-Shared Grants	1,704.2	
Elderly Persons' Centres		1,477.3
Non-Shared Grants		2,238.9
<b>Family Crisis Counselling</b>		
Non-Shared Grants	819.8	899.4
<b>Information Referral</b>		
Information and Referral Services - Non-Shared Grants	396.2	947.4
<b>Other Non-Shared Expenditures</b>		
Municipal Non-Shared Administration	19.2	1,120.2
Municipal Non-Shared Grants - United Way, Social Planning Grants, etc.	4,679.3	7,955.7
<b>Total Non-Shared Expenditures</b>	<b>\$32,368.6</b>	<b>\$40,576.8</b>

\* These expenditures were incurred in the municipal fiscal years 1986 and 1988.

100-per-cent response rate from full-time municipal social service administrators; they account for municipalities where 97 per cent of the Ontario population resides.

The Committee used figures from the 1986 municipal fiscal year and 1988-89 provincial fiscal year to assess the dollar impact of our recommendations on cost-sharing. Expenditures for current provincial programs that would become part of the community-based support services envelope were identified and allocated according to the upper-tier municipalities where these expenditures were incurred in 1988-89. This information helped us assess the impact of our recommendations on the municipal sector and the consequences for the provincial zero-sum strategy. We also did some estimates of the growth and related costs that could be expected in existing programs, based on projections and on strategic directions. We are recommending a new alignment of financial responsibilities that we believe would keep the same relative balance in future as was revealed in our testing of financial realities in 1986 and 1988-89.

### **Municipal Non-Shared Expenditures**

Most municipal non-shared administration costs are related to GWA, but there are also non-shared administration expenses for child care, municipal Homes for the Aged, Homemakers and Nurses Services, and other programs. Non-shared municipal grants and purchased or contracted services are generally sought or incurred for one of four reasons: for programs or services that are not approved for subsidy under provincial legislation or policy; for services where the municipality is not the approved level of municipal government to receive subsidy; for expenditures that exceed provincial limits or guidelines; or for expenditures of a general nature (such as a grant to a United Way fund).

In our calculations for this report, we have included these non-shared expenditures and allocated them accordingly; for example, where we recommend 100-per-cent provincial funding, the existing administration costs now borne by municipalities in that particular service envelope would be transferred to the provincial ledger. The exception is spending that is not part of municipal or provincial service management responsibilities. It is assumed that each municipality would make its own decisions about continuing such expenditures. We recommend later that the province also con-

tribute grants in this area. For a detailed list of municipal non-shared grants and administration costs, see Table 5-4.

### **Voluntary-Sector Contribution and Other Revenues**

In calculating cost-sharing ratios between the province and municipalities, the Committee has left the voluntary-sector contribution and revenues from other sources, such as user fees, as they exist in the current system; they are not included in the base on which provincial-municipal cost-sharing is calculated.

## **Proposed New Funding Arrangements**

Based on our principles and the fundamental premises described above, the Committee examined each service envelope and made recommendations on cost-sharing.

### **Children's Services**

In the existing system, MCSS has the major responsibility for funding children's services, with the exception of services provided by Children's Aid Societies, which are cost-shared on an 80-20 provincial-municipal basis. We have recommended that the province assume service management responsibilities for the children's services envelope, including functions carried out by the CAS.

We recommend that MCSS assume full financial responsibility in this area, and that municipalities be relieved of the 20-per-cent share, on the basis that municipalities should not cost-share programs for which they have no management responsibility. This will disentangle cost-sharing in a group of services that is mainly a provincially controlled and managed responsibility. Since provincial legislation requires children's services to be available across Ontario in a standardized and equitable way, it is appropriate that the province should also fund them.

**Recommendation 25** *The Ministry of Community and Social Services should assume 100 per cent of the costs of children's services, including those provided by Children's Aid Societies.*

## Income and Employment Support Services

*Income Support Allowances and Benefits* We have recommended that the Ministry of Community and Social Services assume service management responsibility for an integrated income support program. Based on the premises that management responsibilities and financial responsibilities should be linked, and that municipalities should not be required to cost-share services over which they have little or no management authority, we recommend that the Ministry assume full financial responsibility for allowances and benefits of income support services. We deal separately with the funding of administration of the income support program.

There are other reasons for the province to assume financial responsibility for the income support program. Income support is highly regulated by legislation and must be uniformly available across the province. It is also open-ended, in the sense that any person who qualifies for assistance must by law receive it. This open-endedness has caused serious problems for some municipalities because in hard times, when more people are unemployed and the GWA rolls and budgets start to swell, there is usually an erosion of the municipal tax base. This economic vulnerability at the local level makes income support one of the least appropriate programs to be funded from the local property tax. In addition, it is one of the few components of the Canadian income security system that are not fully funded by senior levels of government in Ontario. As we have already noted, the SARC report recommended that income allowances and benefits be fully funded by senior levels of government. SARC also recommended that appropriate adjustments be made in provincial-municipal cost-sharing arrangements to ensure that there is no major windfall to local governments from this change in financial responsibility for allowances and benefits.<sup>5</sup> Since we recommend that Special Assistance and Supplementary Aid constitute mandatory benefits under the new integrated income support program, they should become a provincial financial responsibility. This will resolve the longstanding inequity of differential cost-sharing of these programs based on categorization of

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5. Ontario, Social Assistance Review Committee, *Transitions: Report...*, prepared for the Ministry of Community and Social Services (Toronto: The Ministry, 1988), pp. 428-29.



clients. It will also eliminate variation in accessibility of these benefits from municipality to municipality.

**Recommendation 26** *The Ministry of Community and Social Services should assume 100 per cent of the costs of the allowances and benefits of an integrated income support program, including the full costs of Special Assistance and Supplementary Aid.*

**Administration of Income Support** We have recommended that municipalities be required to deliver the income support program. We specified that regions (including Metropolitan Toronto), counties, and northern district cities should be the delivery agents. Where these municipal structures do not exist, MCSS may contract with DWABS or with other agencies, or may deliver the program itself. Representatives on the PMSSR Committee have different perspectives on whether municipalities should make a financial contribution to the costs of administering this program.

The SARC report recommended that municipalities should contribute to the costs of administration of the income support program. Such a contribution should be made whether or not a municipality was the delivery agent for the income support program. SARC supported municipal delivery of the income support program, but added the caveat that municipalities must first be *willing* to assume the delivery role and must *demonstrate capability* to take on the responsibility. Under the SARC model, some municipalities might respond to the opportunity to deliver the program under provincial conditions, while others might not. SARC said there should be no financial disincentives to municipalities assuming the delivery role. SARC asked the PMSSR Committee to develop a specific proposal for sharing administration costs that would take into account differing municipal abilities to pay and that would avoid disincentives to taking on delivery responsibilities.<sup>6</sup>

This committee has taken a different approach from SARC to municipal delivery of income support. We do not support a system where some municipalities would deliver, while others would not. We have recommended that where the appropriate municipal structures exist, they should be the sole delivery agent across the province. We propose that the province and the municipal sector

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6. *Transitions*, pp. 408-9, 429-30.

resolve outstanding issues related to delivery through a model service delivery contract, which would guide negotiation of individual delivery contracts between MCSS and municipalities around the province. Once the model contract is agreed upon, municipal delivery would be mandatory across Ontario.

However, this committee has not reached agreement on the issue of sharing administration costs. The following sections describe the perspectives of the three organizations represented on the PMSSR Committee.

*Association of Municipalities of Ontario* AMO representatives oppose cost-sharing of administration of income support, based on the principle of disentanglement, which holds that municipalities should no longer be held accountable for programs over which they have little management authority, nor should they be required to cost-share such programs. In AMO's view, income support is clearly a federal and provincial responsibility. The Committee has recommended that income support be an MCSS service management responsibility and that allowances and benefits be fully funded by the province. AMO representatives believe that to introduce cost-sharing of administration of this program compromises the Committee's goal of disentanglement and runs counter to the Committee's philosophy of clarifying roles and responsibilities. Cost-sharing of administration will only serve to blur lines of accountability for this provincial program.

AMO representatives dispute the argument that municipalities need to make a financial contribution to be effective deliverers of the program or to have some influence over the program. Municipalities already deliver some health programs that are 100-per-cent provincially funded; they argue that the absence of municipal cost-sharing has not undermined efficient or effective delivery. Conversely, municipalities currently contribute financially to administration of the General Welfare Assistance program, but this contribution has not afforded municipalities a voice in the setting of allowances and benefits or in the regulation of the program, both of which remain in the hands of the provincial government. It has, however, resulted in municipalities wasting considerable energy sorting out a tangled and illogical assortment of financial responsibilities.

AMO representatives argue that the service delivery contract proposed in this report will explicitly set out terms and conditions of municipal delivery and will serve as a mechanism to ensure clarity of the roles and responsibilities of the municipalities and the Ministry.

AMO representatives approached funding arrangements from the perspective of the whole provincial-municipal financial relationship. AMO recommendations are premised on the need for a balanced solution in relation to the broader field of provincial-municipal transfer payments.

*Ministry of Community and Social Services* MCSS representatives support cost-sharing of administration of income support. They are concerned that new funding arrangements should reflect a balanced financial solution for both the province and the municipal sector. A municipal contribution to cost-sharing of administration would bring the bottom line in this report closer to zero sum, which is a fundamental provincial position.

MCSS representatives also believe that municipalities should have some financial stake in the process of negotiating service delivery contracts. If there is no municipal cost-sharing of administration, it may be difficult for MCSS and the municipal sector to agree on a model contract. In practical terms, municipalities may want financial guarantees related to provincial payment of administration costs (for instance, staffing ratios in relation to caseload size or salary increases that exceed provincial economic adjustments) that MCSS cannot accept. If both parties contribute financially, MCSS representatives believe there will be more give and take in negotiations, and that an agreement satisfactory to both levels of government will be achievable.

MCSS representatives support municipal delivery of the program; they are concerned that many municipalities may not be interested in the responsibility of delivering a program in which they have no financial stake.

*Ontario Municipal Social Services Association* OMSSA representatives support municipal cost-sharing of administration on the basis that it will give municipalities more leverage in negotiations with MCSS. They believe that a financial contribution would

put municipalities in a stronger position because they will have some of their own dollars on the line in negotiations over such issues as caseload ratios, reimbursement for municipal salaries, and other administrative matters that would be part of a delivery contract. They are strongly in favour of municipal delivery of the program and argue that experience has shown that municipalities naturally take a greater interest in programs that involve a financial contribution by the municipality.

OMSSA representatives argue that a financial partnership would give municipalities greater credibility in negotiating reimbursement for salary levels and other administrative expenditure issues with the province. They do not support the provincial zero-sum rationale for cost-sharing; they would prefer that municipalities contribute less overall than they do now to social services. But they believe administration of income support is one area where there should be cost-sharing to strengthen the municipal position as deliverer of the program.

Because we have not reached consensus on this issue, the Committee makes the following recommendation:

**Recommendation 27** *Because the issue of cost-sharing administration of the income support program has not been resolved, this matter should be addressed by the Ministry of Community and Social Services and representatives of the municipal sector. An agreement should be reached that takes into account the new framework of responsibilities recommended in this report.*

**Employment Support Services** Under current funding arrangements, municipalities cost-share, on an 80-20 basis, municipal employment support services. Persons receiving these services include GWA clients. MCSS fully funds Ministry employment support services for FBA clients and those for persons with disabilities (Vocational Rehabilitation Services and sheltered workshops). We have recommended that the province be service manager for the income program and, in the short term, for employment support services. However, we indicated that in the longer term, employment support services might be moved to municipal management, because they constitute a community-based service. We based our short-term recommendation primarily on the fact that employment

support services are in a period of change and reform. For the same reason we are not recommending changes in the current funding arrangements for employment support services in the short term. We believe the status quo should be maintained during this developmental stage. In future, however, if these services come under municipal service system management, consideration should be given to adjusting cost-sharing at that time.

**Recommendation 28** *Funding arrangements for employment support services should remain unchanged in the short term. In the longer term, if management of employment support services is assumed by municipalities, consideration should be given to adjusting the cost-sharing at that time.*

### **Facility-Based Care for Persons with Developmental Disabilities**

Facility-based care for persons with developmental disabilities is now a provincial financial responsibility. As noted earlier, the Ministry has a long-term plan to phase out these institutions and create new community living arrangements and support services for their residents. However, for as long as these institutions exist, they should remain a provincial financial responsibility. These facilities generally serve large geographic areas, and they are therefore more appropriately a provincial responsibility than a municipal one. It also does not seem reasonable at this point, in the midst of a phasing-out plan, to introduce a new level of government into the financing of these facilities.

**Recommendation 29** *The Ministry of Community and Social Services should continue to fund 100 per cent of the costs of facility-based care for persons with developmental disabilities (Schedule I and II facilities).*

### **Child Care**

Many municipalities are involved in child care, on a discretionary basis. The delivery arrangements are mixed; some deliver the service directly, while others purchase services and administer the subsidy program. Table 5-5 shows current cost-sharing ratios.



TABLE 5-5  
Current Cost-Sharing Ratios (Operating Costs)<sup>a</sup>  
for Child Care (%)

Program Description	Provincial Share	Municipal Share	Net, <sup>b</sup> Other
<b>Municipal Child Care</b>	80	20	--
<b>Approved Corporations</b>			
– Regular	80	--	20
– Developmentally Disabled	100	--	--
– Pre-school	86	--	14
<b>Direct Operating Grants</b>	100	--	--
<b>Program Development</b>	100	--	--
<b>Resource Centres</b>	100	--	--

a For provincially approved costs.

b Includes contributions from the voluntary sector and user fees.

We have recommended that child care be managed by municipalities. Although heavily provincially regulated, child care is a community-based service that benefits from local adaptation and innovation. We also recommend that this service be cost-shared by municipalities. While we understand that provincial standards related to quality of care must be maintained, it should be possible for municipal service managers to have more flexibility in how they design services, allocate resources, and set priorities in their area. The municipalities should be in a similar position to that of the MCSS area offices today: able to carry out long-term planning for child care spaces and to allocate financial resources within their jurisdictions.

A common complaint of municipalities now is that the province controls both the allocation of subsidized child care spaces and the level of funding, so that there is no leeway to use the funding according to local priorities (for example, the municipality may wish to put more money into those spaces that require higher levels of care). This degree of provincial control would change with municipal assumption of management and greater financial responsibilities

for child care. Another municipal expectation is that the provincial dollars for child care should reflect the standards set by the province for the service.

In considering the ratio of cost-sharing for child care, the Committee took into account our recommendations that municipalities should be relieved of current financial obligations for child welfare and income support allowances and benefits. We also considered that child care is a high-growth program, and that we are asking municipalities to assume responsibility for the full range of child care services in their communities. We also wanted to set a ratio that could be applied to the other municipally managed service envelope, community-based support services, thus eliminating the confusing mixture of ratios now used in the system. We agreed on a 75-25 provincial-municipal cost-sharing ratio. The increased municipal financial contribution to this program would help to legitimize the role of municipalities as service managers of child care.

**Recommendation 30** *The Ministry of Community and Social Services and municipalities should cost-share child care services on a 75-25 basis.*

### **Community-Based Support Services**

We have described in Chapter 4 the wide range of services to be included in this envelope of community-based support services. Table 5-6 shows the existing cost-sharing in these services and indicates which services municipalities do not now cost-share. The only program that municipalities are now required to provide is municipal Homes for the Aged. Although other services in the envelope are discretionary, many municipalities choose to expend significant amounts on them, according to fixed cost-sharing ratios. For example, if a municipality has a Homemakers and Nurses Services program, its share is 20 per cent. A number of the services in this envelope involve participation by the voluntary sector and contributions from user fees.

We have recommended that this envelope of services be managed by municipalities, because the need for these services and the way in which they are delivered may vary considerably from community to community. They do not require the same degree of regulation as a program like income support. In fact, their variety in service

TABLE 5-6

Current Cost-Sharing Ratios (Operating Costs)<sup>a</sup>

for Services in Community-Based Support Services Envelope (%)

Program Description	Provincial Share	Municipal Share	Net <sup>b</sup> Other <sup>c</sup>
<b>Accommodation with Care</b>			
Municipal Homes for the Aged	74.8 <sup>c</sup>	25.2 <sup>c</sup>	--
Charitable Homes for the Aged	80	--	20
Community Accommodation for Persons with Developmental Disabilities			
– Adults (Home for Retarded Persons)	80	--	20
– Children	100	--	--
Domiciliary Hostels	80	20	--
<b>Transitional Care</b>			
Halfway Houses			
– Drug and Alcohol Rehabilitation	80	--	20
<b>Emergency Housing</b>			
Emergency Shelter and Assistance Program	80	20	--
Hostels and Emergency Shelters	80	20	--
<b>Home-Based Care</b>			
Homemakers and Nurses Services	80	20	--
Integrated Homemaker Program	100	--	--
Home Support Services	70	variable	variable
– Alzheimer's Programs	100	--	--
Attendant Care – Physically Disabled	100	--	--
Support Services and Lifeskills for Persons with Developmental Disabilities	100	--	--
<b>Community/Family Support</b>			
Community and Neighbourhood Resource Centres	variable	variable	variable
Elderly Persons' Centres	50 <sup>d</sup>	minimum of 20	30
<b>Counselling Services</b>			
Ministry Purchase of Counselling Services for Victims of Family Violence	100	--	--
Municipal Purchase of Counselling	80	20	--
Ministry Purchase of Counselling	100	--	--
Credit Counselling	60	--	40

a For provincially approved costs.

b Includes contributions from the voluntary sector and user fees.

c Average cost-sharing ratio of actual expenditures in 1988-1989.

d Maximum of \$30,000 per 12-month period.

design and in mode of delivery is one of the strengths of these community services.

We recommend that this service envelope be cost-shared. This would link municipal service management to municipal cost-sharing. It would also put municipal funding into a group of services that are very visible in the community and that are especially developed to meet the needs of each community.

As in child care, we are recommending a 75-25 provincial-municipal cost-sharing ratio for this envelope of services. Having the same ratio for the two envelopes would contribute to simplicity, clarity, and consistency in funding arrangements. In arriving at the 75-25 ratio, the Committee took into account the new financial responsibilities that we are recommending that MCSS take on in child welfare and income support. We considered the cost savings the municipal sector would realize in these service envelopes, and the anticipated increase in demand for community-based support services, particularly in the area of services to a growing elderly population. We are asking municipalities to take on an enhanced role in a number of services that have previously not had any municipal cost-sharing. However, we have two specific exceptions to attach to our support for cost-sharing this envelope.

#### *Support Services for Persons with Developmental Disabilities*

Earlier in this chapter, we recommended that the province retain financial responsibility for facility-based care for persons with developmental disabilities. We recognize that many of the residents of these institutions will eventually receive community-based support services as the facilities are closed down or downsized by MCSS. Until the current phase of the long-term MCSS plan is completed, the Ministry should continue to assume responsibility for developing community-based accommodation and community support services for persons with developmental disabilities. When the current phase reaches completion, scheduled for 1994, these services should become part of the municipally managed and cost-shared community-based support service package. This would allow some time for municipalities to develop more experience in this area before taking on this new responsibility, both for management and for funding.

The expenditures for services for persons with developmental disabilities are included in the cost-sharing models of Table 5-8, in

the next section of this chapter. The details of current provincial expenditures appear in Appendix H.

***Integrated Homemaker Program*** We have recommended that municipal service management of this evolving program be considered only after program directions have been clarified and implementation has more fully matured. The same concerns apply to cost-sharing. The program is now funded 100 per cent by MCSS. Municipal representatives feel there are many unknowns at present, particularly the potential costs of a fully mature system, because the program now exists in 18 municipalities only but is scheduled for expansion. AMO representatives are also concerned about the close interrelationship between IHP and the health care system, since IHP is now delivered primarily by municipal public health units. MCSS representatives want to see IHP included as a community-based support service, but they agreed to a deferral of this issue until the strategic directions of the program and its financial impact are clear. In Table 5-8, IHP is not cost-shared.

***Recommendation 31*** *The Ministry of Community and Social Services and municipalities should cost-share community-based support services on a 75-25 basis, with the following exceptions:*

- *Provincial responsibility for funding community-based accommodation and support services for persons with developmental disabilities should continue until the completion of the current phase of the MCSS multi-year plan. At that time, these services should become part of the community-based support services envelope, which is cost-shared by municipalities.*
- *When strategic directions and financial impacts of the Integrated Homemaker Program (IHP) are clarified and implementation is more fully matured, funding arrangements should be reviewed.*

Table 5-7 summarizes roles and responsibilities in the five proposed service envelopes.

### **Capital Expenditures**

Under the current cost-sharing arrangements, municipalities cost-share capital expenditures for municipally operated child care facilities, municipal Homes for the Aged, Elderly Persons' Centres,



TABLE 5-7

## Proposed New Provincial-Municipal Framework

Service Envelopes	Responsible for Legislation and Policy Development	Responsible for Service Management	Responsible for Funding
1. Children's Services	province	province	province
2. Income and Employment Support	province	province	
– Allowances and Benefits			province
– Administration			unresolved
– Employment Support			status quo
3. Facility-Based Care for Persons with Developmental Disabilities	province	province	province
4. Child Care	province	municipalities	province 75% municipalities 25%
5. Community-Based Support Services	province	municipalities*	province 75% municipalities 25%*

\* Service management and cost-sharing responsibilities for community accommodation with care and support services for persons with developmental disabilities should be assumed by municipalities in 1994. The Integrated Homemaker Program is excluded from municipal service management and funding responsibilities at this time.

and Children's Aid Societies. The municipal share of capital costs ranges from 20 to 50 per cent. The Committee agreed that municipalities should contribute to capital costs in the two service groups in which there is municipal management: child care and community-based support services. To simplify financial arrangements, the ratio should be the same as the cost-sharing ratio for operating expenditures in the service management group.

### *Recommendation 32*

*The province and the municipalities should cost-share capital expenditures in social services at the same ratio as operating expenditures.*

### Grants to Community Organizations

Under the Municipal Act, many municipalities currently make grants available to community organizations. These grants are intended to support local community innovation in a variety of areas, including social services. However, municipalities are increasingly having to use their social service grants to supplement the budgets of voluntary-sector service agencies that are only partially funded by the province. Municipalities do not see this "topping-up" role as an acceptable use of municipal grants.

Under our proposed framework, municipalities would have service management and funding responsibilities for the community-based support services envelope. As service managers, municipalities would take on the responsibility for setting priorities for the services most needed by the community. Within the limitations of fiscal realities, municipal management should ensure that those services are funded through the normal funding process and that the level of service needed by the community is adequately maintained. Therefore, it should no longer be necessary for voluntary-service agencies to request additional municipal funds for basic operating requirements. That, in turn, should leave municipalities free to use community grants solely for new innovative services and programs.

The Committee also sees a role for the Ministry in providing grants to municipalities for this purpose. MCSS could provide grants on a per-capita basis to municipalities, to be used by municipalities to fund services that enhance community life.

**Recommendation 33** *The Ministry of Community and Social Services should make appropriate per-capita grants to municipalities to assist in the provision of community grants to voluntary-sector organizations.*

### Proposed Cost-Sharing Arrangements

In this section, we show the impact that our recommendations for new funding arrangements would have had on 1988-89 expenditures. First we look at the financial impact on the provincial and the municipal sectors. Next we examine impacts on individual municipalities.

### **Impact of Cost-Sharing on the Province and the Municipal Sector**

Current cost-sharing arrangements and the two financial proposals or models presented in this report are shown in Table 5-8. The two proposals reflect the Committee's agreement on a wide range of funding issues, and disagreement on one: cost-sharing of income support administration, which is funded 100 per cent by MCSS under Proposal 1, and on a provincial-municipal 75-25 basis under Proposal 2.

A second area of disagreement not reflected in the dollar figures is the provincial zero-sum strategy, which is supported by MCSS representatives and opposed by AMO and OMSSA. The municipal organizations acknowledge that this review was not intended to result in any massive intergovernmental fiscal transfers. However, they feel that strict adherence to the requirements of the zero-sum strategy within social services does not address the problem of the existing imbalance in the current system. This imbalance is caused by inequitable funding arrangements, particularly the reliance on the local tax base to help pay for services that should be funded by senior levels of government.

Both funding models assign 100-per-cent funding responsibility to the province for children's services, including child welfare, income support allowances and benefits, and facility-based care for persons with developmental disabilities. Both models include cost-sharing of child care on a 75-25 provincial-municipal basis. They also include a 75-25 cost-sharing of community-based support services. The two exceptions are handled differently in Table 5-8; costs of community-based accommodation and support services for persons with developmental disabilities, which will remain an MCSS financial responsibility for the present, are shown as cost-shared on a 75-25 basis because the Committee has agreed they will be cost-shared when the first phase of the MCSS multi-year plan is completed in 1994; the Integrated Homemaker Program (IHP) is *not* cost-shared because the Committee has agreed only that cost-sharing of IHP will be considered in future when the program has more fully matured.

Both models maintain the status quo for funding arrangements for employment support services. That means MCSS continues to fund 100 per cent of the costs of Ministry employment services, and

TABLE 5-8

Proposed Municipal-Provincial Cost-Sharing  
Based on 1988-89 Expenditures <sup>a</sup> (\$M)

SERVICES	ACTUAL EXPENDITURES			PROPOSAL 1		PROPOSAL 2 Including Administration for Income Support	
	Municipal Share	Provincial Share	Total	Municipal Share	Provincial Share	Municipal Share	Provincial Share
				<u>0%</u>	<u>100%</u>	<u>0%</u>	<u>100%</u>
Children's Services	0.0	290.4	290.4	0.0	290.4	0.0	290.4
Child Welfare	53.1	239.7	292.8	0.0	292.8	0.0	292.8
Income Support Services							
Allowances and Benefits	136.0	2,006.3	2,142.3	0.0	2,142.3	0.0	2,142.3
						<u>25%</u>	<u>75%</u>
Administration	72.6	114.8	187.4	0.0	187.4	46.8	140.6
Employment Support Services <sup>b</sup>							
Employment Support	3.7	44.4	48.1	3.7 <sup>b</sup>	44.4 <sup>b</sup>	3.7 <sup>b</sup>	44.4 <sup>b</sup>
Employment Programs for Persons with Physical and Developmental Disabilities	0.0	72.9	72.9	0.0 <sup>b</sup>	72.9 <sup>b</sup>	0.0 <sup>b</sup>	72.9 <sup>b</sup>
				<u>0%</u>	<u>100%</u>	<u>0%</u>	<u>100%</u>
Facility-Based Care for Persons with Developmental Disabilities (Schedule I and II facilities)	0.0	319.5	319.5	0.0	319.5	0.0	319.5
				<u>25%</u>	<u>75%</u>	<u>25%</u>	<u>75%</u>
Child Care	36.6	267.1	303.7	75.9	227.8	75.9	227.8
Community-Based Support Services <sup>c</sup>							
Accommodation with Care	98.8	518.2	617.0	154.3	462.7	154.3	462.7
Transitional Care	0.0	8.8	8.8	2.2	6.6	2.2	6.6
Emergency Housing	0.2	1.4	1.6	0.4	1.2	0.4	1.2
Home-Based Care	8.3	223.7	232.0	58.0	174.0	58.0	174.0
— Integrated Homemaker Program <sup>d</sup>	0.0	34.8	34.8	0.0	34.8	0.0	34.8
Community and Family Support	7.2	12.3	19.5	4.9	14.6	4.9	14.6
Counselling Services	2.4	41.0	43.4	10.9	32.6	10.9	32.6
				<u>Municipal Grants</u>	<u>Provincial Grants</u>	<u>Municipal Grants</u>	<u>Provincial Grants</u>
Information and Referral	0.9	0.0	0.9	0.9	0.0	0.9	0.0
Municipal Non-Shared Administration and Grants	9.1	0.0	9.1	9.1	0.0	9.1	0.0
Ministry Administration <sup>e</sup>	0.0	116.4	116.4	0.0	116.4	0.0	116.4
<b>Total Gross Municipal-Provincial Cost-Shared Expenditures</b>	<b>429.0</b>	<b>4,311.7</b>	<b>4,740.7</b>	<b>320.3</b>	<b>4,420.4</b>	<b>367.1</b>	<b>4,373.6</b>
<b>Gross Municipal-Provincial Cost-Sharing Percentage (%)</b>	<b>9.0%</b>	<b>91.0%</b>	<b>100.0%</b>	<b>6.8%</b>	<b>93.2%</b>	<b>7.7%</b>	<b>92.3%</b>

<sup>a</sup> The program expenditures are based on the provincial fiscal year 1988-89 and the municipal non-shared expenditures are based on the 1988 municipal calendar year. All figures are net municipal and gross provincial expenditures.

<sup>b</sup> The employment support programs for income support clients will continue to be cost-shared on the current 20-80 basis for clients of General Welfare Assistance as reflected in the models. These figures include employment support expenditures for both FBA and GWA clients.

<sup>c</sup> Community accommodation and support services for persons with developmental disabilities are cost-shared in this table. Municipal cost-sharing is recommended to start in 1994.

<sup>d</sup> The Integrated Homemaker Program expenditure for 1988-89 was \$34.8 million but is not cost-shared in these models. It is currently available in 18 areas in the province but is scheduled for expansion.

<sup>e</sup> Ministry Administration includes salaries, benefits, supplies, equipment, and expenditures for services to manage and deliver Ministry programs.

municipalities continue to pay 20 per cent of municipal employment services.

The difference in cost-sharing of administration of the income support program in the two models is significant, not just because of the financial impact on municipalities, which amounts to a total of about \$47 million, but because AMO's support for 75-25 cost-sharing of child care and community-based support services is contingent on municipalities having no financial commitment for the income support program.

We should make clear that the Committee did not come to these funding models without reference to financial realities. We have tested these models against 1986 and 1988-89 actual expenditures by MCSS and municipalities. We also tested them against the cost of potential growth in programs. Table 5-8 shows the most up-to-date figures on expenditures obtained through an analysis of municipal and provincial expenditures for 1988-89.

Under Proposal 1, municipalities would have paid about \$320 million in 1988-89 without cost-sharing on income support administration, as opposed to \$429 million in actual 1988-89 expenditures. Under the second proposal, with cost-sharing on income support administration, their share would have risen to \$367 million. Similarly, the provincial share would rise from \$4.31 billion in actual 1988-89 expenditures to \$4.42 billion under Proposal 1 and \$4.37 billion under Proposal 2. However, under the zero-sum strategy, financial offsets would have to be found outside social service funding transfers to maintain the same balance in provincial and municipal financial obligations.

Table 5-9 shows the financial impacts on the municipal sector.

### **Analysis of Individual Municipal Impacts**

Having examined the impact of these funding models on the province and the municipal sector as a whole, the Committee proceeded to test them against the expenditures of Metropolitan Toronto, nine regional governments, 27 counties, and 10 districts to assess the impact on these communities. We wanted to see how the impact of new cost-sharing arrangements would be distributed, based on our 1988-89 figures. Details of the individual financial impacts are found in Appendix I. Municipalities included regions (including Metro Toronto), counties, and districts. Separated and



TABLE 5-9

## Summary of Financial Impacts on Municipal Sector (\$M)

MUNICIPALITY	Municipal 1988-89 Expenditures	PROPOSAL 1 Cost-Shared 75%/25%		PROPOSAL 2 Cost-Shared 75%/25% Including Income Support Administration	
		Estimated	Increase/ (Decrease)	Estimated	Increase/ (Decrease)
Metropolitan Toronto	156.1	91.0	(65.1)	106.9	(49.2)
Regional Governments	129.2	100.2	(29.0)	114.7	(14.5)
County Governments <sup>a</sup>	104.7	94.9	(9.8)	106.5	1.8
Districts <sup>b</sup>	39.0	34.2	(4.8)	39.0	0.0
<b>Total</b>	<b>429.0</b>	<b>320.3</b>	<b>(108.7)</b>	<b>367.1</b>	<b>(61.9)</b>

a Includes separated municipalities.

b Includes district cities.

district cities were grouped with their surrounding upper-tier municipalities and districts. The results of our analysis show that under Proposal 1, the model that does not include cost-sharing of administration of income support, about 56 per cent of the municipalities (27 out of 48) would have lower expenditures than under current cost-sharing. In Proposal 2, the percentages are reversed: about 35 per cent (17 out of 48) would pay less. The Committee studied those municipalities that showed a substantial positive or negative impact to ascertain what factors were involved. We found that the impact on municipalities was primarily influenced by three factors: the current pattern of municipal social service expenditures; location and catchment areas of existing institutions; and the extent of current MCSS development of community-based services.

***Current Pattern of Municipal Social Service Expenditures*** Our analysis indicates that those municipalities that currently have above-average expenditures for the income support program would

tend to benefit financially under new cost-sharing arrangements because they will be relieved of the substantial burden of GWA allowances and benefits. In addition, municipalities that spend more than the provincial average on discretionary programs such as Special Assistance or Supplementary Aid would also tend to benefit from new cost-sharing arrangements. They would be relieved of a considerable expense when MCSS assumes full financial responsibility for both Special Assistance and Supplementary Aid.

On the other hand, municipalities with low GWA costs and below-average expenditures on discretionary programs would have lower "savings" from GWA to apply to increased program responsibilities, such as child care, and they therefore would have to assume a greater overall financial commitment under our cost-sharing proposals.

*Location and Catchment Areas of Existing Institutions* Some municipalities have within their boundaries institutions that serve persons with developmental disabilities and elderly clients from a larger catchment area than that of the municipality. For example, charitable Homes for the Aged may be located in one municipality but may accept residents based on cultural, religious, or other affiliation from a much larger area. There are 98 charitable homes in the province; 26 are located in one large urban municipality and the rest are unevenly distributed throughout the rest of Ontario. Some municipalities have up to five, while others have none. These institutions are currently not cost-shared by municipalities, but if municipalities assume cost-sharing responsibilities for community-based support services, the provincial expenditures for charitable homes would be cost-shared. Therefore, their location could have a positive or negative impact on municipal finances.

*Extent of MCSS Development of Community-Based Services*

Under our proposed cost-sharing arrangements, municipalities would eventually assume a 25-per-cent share of community-based support services, including those currently funded by the Ministry. Currently MCSS community-based support services are not evenly distributed throughout the province. Those municipalities that already have a higher-than-average proportion of these services could face immediate financial increases under new cost-sharing, but their financial obligation would not tend to increase greatly

over time. In other parts of the province, new services would have to be developed and these would increase the financial burden on those municipalities over time.

A few comparisons may help to clarify these factors. One large urban municipality, for example, has a high level of expenditure on GWA, which would put it in a positive financial position under the proposed cost-sharing arrangements. A large suburban region that has relatively low GWA, Supplementary Aid, and Special Assistance costs, five charitable Homes for the Aged, and a highly developed network of MCSS community-based support services would have to assume an increased level of expenditure under the cost-sharing proposals. A large county with average expenditures for GWA and child care, but an extensive network of MCSS support services for former residents of a regional centre for persons with developmental disabilities, would suffer financially under the cost-sharing proposal.

### **Phasing In**

It is apparent from our analysis that under our cost-sharing proposals, some municipalities would face increased financial obligations, while others would see theirs decrease. This disparity in the impact on municipalities should be addressed. Therefore, we propose that, as part of the implementation plan for this report, a phasing-in mechanism should be developed to reduce the short-term impact on municipalities that are significantly affected by the new funding arrangements.

***Recommendation 34** An implementation plan should be developed to phase in new funding obligations for municipalities.*

## **Municipal Fiscal Capacity**

Currently, two acts governing MCSS provide for relief to municipalities from regular cost-sharing responsibilities when warranted. The General Welfare Assistance Act provides that the province may give a 90-per-cent subsidy when the number of GWA recipients exceeds 4 per cent of the population for four consecutive months. This provision has only rarely been used. There is also a provision

for enriched funding for programs, such as home support services, provided under the Ministry of Community and Social Services Act; under this act, 100-cent dollars have been made available to implement programs in northern and remote communities. However, there is no specific ability-to-pay formula that is applied directly to social services.

### **Ability-to-Pay Appeal Mechanism**

An appeal mechanism should be made available to municipalities that are unable to afford their share of social service costs. The Committee considered the factors that could be the basis for an appeal for some relief from cost-sharing. The appeal would be related to the overall share of social service costs in the municipality responsible for service management. It would not apply to the allocation of costs among lower-tier municipalities in a region, county, or district. We consider the following to be the minimal elements for appeal; there may be other grounds as well:

- historical municipal contribution to social services;
- inadequate industrial, commercial, or residential base for local taxation;
- abnormal increase in municipal expenditures for social services;
- significant change in economic circumstances;
- significant change in level of service need.

The appeal should be to the Ontario Municipal Board or a similar independent body that could render a judgement with dispatch. The mechanics of this appeal will require some detailed analysis, which we have not attempted here. However, the Committee views the implementation of this appeal mechanism as a priority in the short term. We do not wish it to wait for resolution of the larger issue of resource equalization in the municipal sector.

**Recommendation 35** *Municipalities with service management responsibilities should have the right under certain circumstances to appeal their share of social service costs to the Ontario Municipal Board or a similar independent body. The appeal mechanism and the criteria on which an appeal could be based should be developed as part of the implementation plan for the proposed funding arrangements.*

### Resource Equalization

Municipal financial pressures involve more than social services; there are rapidly increasing costs in such areas as the environment and transportation. The broader financial questions are beyond the scope of this review. However, the Committee endorses the idea that a new and more effective resource equalization mechanism to assist municipalities with limited financial capacity is necessary to help them carry out their funding role in social services. Municipal representatives emphasize that the new mechanism must not take away support from wealthier municipalities to provide greater support for those with limited capacity; the funds should come from provincial revenue sources.

*Recommendation 36    The provincial government, in consultation with the municipal sector, should develop a new and more effective resource equalization mechanism for municipalities that adequately takes into account the costs of social services and municipal fiscal capacity.*

### Resource Allocations

#### Flexibility

If municipalities are to have real authority in financial management within their areas of responsibility, there should be sufficient flexibility in the budgetary allocations from the Ministry to allow local priorities to be set and resources to be allocated according to those priorities. The type of need will vary from municipality to municipality. Within the community-based support services envelope, for example, there may be need in one area for more residential beds for elderly persons, and in another for more home support services. If the provincial funds are allocated only to residential care beds, the municipality that wants to use the funds for home support will have its priorities undermined by provincial funding conditions. Provincial budget allocations should be done on the basis of service envelopes, where possible, to allow municipalities the flexibility, as service managers, to allocate provincial funds according to local needs and priorities within those envelopes. We recognize, and we



have stipulated in Chapter 6, that local priorities must be established within the context of provincial strategic directions.

**Recommendation 37** *Provincial funding allocations for programs cost-shared with municipalities should be sufficiently flexible to permit local priority-setting within service envelopes.*

### **Timely Funding Announcements**

Sometimes municipalities are well into their own fiscal years before they find out whether the province will continue to fund a program they are delivering or whether there will be program changes that will have an impact on municipal budgets. This same problem affects the voluntary sector.

**Recommendation 38** *Provincial funding decisions should be made in time to allow for effective planning and budgeting of services at the local level.*

## **Conclusion**

The funding arrangements proposed in this chapter would represent a significant realignment of the cost-sharing responsibilities of MCSS and the municipal sector. They represent an attempt to ensure that both levels of government are involved in cost-sharing where it is appropriate. In particular, we have recommended municipal cost-sharing in two service envelopes that should benefit from enhanced municipal management authority and community influence. Because the specific municipal financial impacts of our proposals are unevenly distributed across Ontario, we have also recommended a phasing-in process for the new funding arrangements. Municipal fiscal capacities and service needs also vary; therefore we have proposed an appeal mechanism that might therefore we have proposed an appeal mechanism that might assist some municipalities with their share of costs.



## **Planning**

The size and scope of the social service system, the varied range of services it provides, the diversity of clients and communities it serves, the pace of social change, and the complexity of the current environment all demand that more and better planning take place within the system. There is widespread concern that the system is operating not as a system but as a disparate and largely disconnected network of services. Planning is necessary to bring more cohesiveness and coordination to the system as a whole. Without it, services will become increasingly isolated from one another as they evolve in response to changing needs. There is also a need for planning links between the social service system and other related service systems such as health, education, and housing.

Currently the Ministry of Community and Social Services has primary responsibility for province-wide planning for the social service system, but there is no official process for planning social services at the community level. Some community social service planning is being carried out, but not in any consistent way across the province. Under the system that we have envisaged in this report, we have proposed a new framework for service management and funding that clarifies and disentangles provincial and municipal roles and responsibilities. However, we realize that the two levels of government cannot and should not operate as two solitudes.

There must be a planning process that encompasses all the service envelopes we have delineated and allows communities to look at their range of social service needs and set priorities. In this chapter, we discuss a new approach to community planning for social services that would take account of provincial strategic directions for social services and would recognize the interrelationships between social services and related services.

Following a discussion of the current situation in community planning and a review of the highlights from our consultations, we introduce our recommendations for a new community planning process and explain how it would fit with our proposed framework for service management.

## Planning Today

### **Planning in Communities**

The Committee looked at current planning in Ontario communities, with a view to learning from experience. We also examined the interrelationships between social service planning and planning for related services in communities.

We found that a considerable amount of social service planning is being carried out across Ontario. However, this planning is not taking place in all service sectors or in all communities, and where it does exist, it has had varying results. There are examples of successful coordination between social services and some related services, but they tend to be the exception rather than the rule. Although service providers are increasingly engaged in internal planning processes that look at their own service delivery, based on forecasts of demand and budget allocations for the year, this operational planning is often not tied to what other service providers in similar or related areas are doing in the same community.

Some voluntary-sector organizations plan services for specific client groups in the community, such as the Associations for Community Living, which plan services for persons with developmental disabilities. In some parts of the province, sectoral planning organizations, such as Children's Services and Coordinating Advisory

Groups (CSCAGS), plan for a range of similar or related services provided by different delivery agents.

Other social planning organizations – known variously as social planning councils, social resources councils, community services councils, and other similar terms – set priorities for a range of services, based on their evaluation of the social needs in a given geographic area. These bodies often provide advice on community priorities to funders. Each has its own structure, membership, and funding arrangements. Many grew out of a cooperative planning arrangement put together by a group of agencies providing services in a particular community. The initiative for formation of the planning body may have come from the municipal government, the provincial government, a group of citizens, or a combination of these. Such organizations usually also involve representatives from local social service, health, and education groups, and they have tended to broaden their planning mandate beyond a narrow definition of social services.

The United Ways of Ontario, which are active in 44 communities across the province, also carry out an important planning function. In 1988, the United Ways supported more than 1,150 non-profit agencies, and this broad coverage means that they have a strong impact on social services. The United Ways evaluate agency requests for support, set priorities for funds raised, and monitor accountability for funds disbursed. They are the only non-government body that raises and allocates dollars for a wide range of social and other services.

In some larger municipalities, particularly the regions, municipal governments have their own social service planning staffs. Other municipalities have a direct relationship with a voluntary-sector planning body, which may report to the municipal council or may carry out planning and community development activities on a contract basis for the municipality. Smaller municipalities that may not have the resources to hire full-time planning staff may hire consultants on a project basis or get advice from local voluntary-sector agencies.

The regional and area offices of the Ministry of Community and Social Services carry out some planning activities, following the broad strategic directions established by MCSS. Some field offices may assist smaller municipalities or voluntary organizations with



community planning for social services if requested. Because large parts of northern Ontario are not municipally organized, the Ministry plays a greater role in planning social services there. The six District Welfare Administration Boards (DWABs) in the North may do some planning, but they are mainly administrative bodies. Some of the larger municipalities have their own planning staffs. In smaller northern communities, the focus of community planning for social services may be the Home for the Aged board or the local United Way.

On a broader scale, the Committee also looked at community planning for related services. For example, there are 28 District Health Councils (DHCs) in operation across the province. The Ministry of Health created DHCs about 15 years ago to advise the Minister on local priorities for health service planning. DHC members are local citizens who are appointed by the provincial government and who serve on a voluntary basis; the councils include a mix of service providers, consumers, and local government representatives. The councils are funded by and responsible to the provincial government. Their mandate is health service planning, but their major focus has traditionally been hospital care. The Ministry of Health issued a report in October 1989 on the changing role of DHCs, called *District Health Councils: Partners in Health Planning*. It contains new directions, supported by a majority of DHCs and the Ministry of Health, for an enhanced role for DHCs.

Some Boards of Health (mostly at the county level) also do community health planning. The boards have representatives from both provincial and municipal governments. Regional municipal governments have assumed the responsibilities of a Board of Health in nine regions. The community health services provided include public health nursing and dental care, public health inspection, home care, and infant stimulation. The clients served include many of the same people served by MCSS.

In the field of education, locally elected public and separate school boards have responsibility for planning for elementary and secondary schools. They are responsible to their local electorates as well as to the provincial Ministry of Education. Most boards receive provincial education grants for operating and capital expenditures, but they also rely on the property tax to raise revenue through the municipal levy. A number of children's and youth ser-

vices are offered through the school system – psychological counselling and health testing, among many others. Many schools are also used as neighbourhood community centres, and many school boards provide a variety of community outreach services.

Recent steps have been taken in the direction of greater coordination between related service systems at the local level. In addition, as we noted earlier, MCSS and the Ministry of Health now share an assistant deputy minister for community health and social services, and the two ministries are participating in a review of long-term care for elderly persons and persons with physical disabilities.

### **Examples of Community Planning**

The examples in this section illustrate the strategies that different communities have used to address the issue of coordinating planning for social services and related human services. These examples are included here only to show the range of possibilities, not to convey any endorsement of their activities by this committee. Their history, membership, mandate, and links to other organizations are unique to each community. Although their structures and accountabilities are different, these planning organizations all strive to influence decision-making on social issues and to encourage participation by members of the community.

***Waterloo Region Social Resources Council*** The Waterloo Region Social Resources Council (SRC) includes broad representation from service providers and the public in its membership. It is funded by MCSS and the region on an ongoing basis. The SRC is accountable to the Regional Municipality of Waterloo and reports to the regional council through the Health and Social Services Committee. The SRC's 20 members are appointed by the region, and two regional councillors sit on it. Twelve members are chosen from nominations submitted by a variety of community groups and the public at large. The remaining six positions are filled by nominees from the Waterloo school boards, hospitals, and other designated organizations, including the Kitchener-Waterloo Social Planning Council, which is a separate social advocacy body in the community.

The impetus for formation of the SRC began shortly after regional government was instituted in Waterloo in 1973. A local steering

committee, made up of professionals, lay people, and political representatives wanted to improve coordination and planning for health and social services. The SRC has health representatives on it, but there is also a regional District Health Council in Waterloo, which was formed by the Ministry of Health in 1977, at the same time as the Social Resources Council. There are links between the two. The SRC and the DHC have established a Joint Health and Social Service Committee to facilitate the flow of information and to help coordinate their planning and service development activities.

The role of the SRC includes preparing and updating a comprehensive plan for delivery of social services in the region, encouraging development of coordinated social service programs and plans, and recommending the optimum use of existing resources. The SRC also provides advice to the provincial government, through reports to the regional council. It advises both the municipality and the province on ways to meet regional priorities. It helps agencies in the community to assess and monitor the effectiveness of their services. It reviews applications for municipal grants and makes recommendations to the regional council.

***Ottawa-Carleton Social Planning Council*** The Ottawa-Carleton Social Planning Council (SPC) is a voluntary community organization, with an annually elected 33-member board, more than 200 individual members, and 100 member agencies. It began more than 60 years ago as a council of voluntary social agencies. Its principal objective is to encourage citizen involvement in analysis of social issues, promotion of progressive social policies, and the planning and development of social services and related services. It also plays an advocacy role on behalf of disadvantaged people.

The SPC is funded by the United Way and the Regional Municipality of Ottawa-Carleton; it also receives project funds from both the federal and provincial governments. By its constitution, it is the planning arm of the United Way; the SPC has a representative on the United Way board and the United Way is represented on the SPC board. The SPC reports regularly to the regional council on programs and projects funded by the region; it also reviews and makes recommendations on grant applications made to the region and the City of Ottawa. The Ottawa-Carleton Commissioner of Social Services has a seat on the SPC board. The SPC also works cooperatively

on projects with the District Health Council. The local Council on Aging operates under spc auspices. The spc is actively involved in service development projects; sometimes it introduces a service, such as the Community Information Centre, which was operated by the spc from 1965 to 1974, when it became an independent, incorporated agency.

***York Region Community Services Council*** The York Region Community Services Council (csc) evolved from a pilot children's services committee created by mcss in 1979 in York Region, north of Metro Toronto. Over the years, the York group continued to work in the children's services area but gradually expanded its mandate to include other service recipients. Its incorporation as a community services council in 1986 reflected its new role: to facilitate a community response to social issues and to coordinate a community planning process for service delivery in order to enhance the quality of life for the people of York Region.

The csc has 150 to 200 volunteers and a voluntary board elected by the membership. There are 17 people on the board: seven residents, six service providers, two regional councillors, and one representative from each school board. The csc receives funding from mcss and grants from other government and non-government organizations. It has an established protocol for its relations with the Regional Municipality of York. The csc's functions include needs identification and priority-setting, coordination of information and services, community and leadership development, consultation, education, and advocacy. To help it grow with its community, the csc has formed a committee to work towards development of a planning scheme that will eventually be "fed" by planning mechanisms in each of the nine area municipalities, and that will link with the regional council, the United Way, a new District Health Council, and the provincial government.

***Niagara Children's Services Committee*** The Niagara Children's Services Committee has broad representation from service providers in the children's field and from parents of children with special needs; its membership also includes elected municipal representatives. Service providers from the different sub-groups, such as children's mental health, corrections, educational services,



and voluntary-sector services, elect representatives. Through this community network, the coordinating group receives input on needs and issues and often delegates tasks to a sub-group for attention. Among its activities, the committee acts as an interagency broker to place hard-to-serve children, fosters interagency planning, maintains a data base of services for children with developmental disabilities, coordinates community implementation of the Young Offenders Act, promotes preventive programs for children at risk, and acts as an advocate on service issues. In cooperation with the District Health Council, it has established a comprehensive plan for coordination of children's mental health services.

The Niagara group has formed a close relationship with the Region of Niagara, which began providing financial support in 1982. The Niagara Children's Services Committee currently receives three-quarters of its core funding from MCSS and the rest, on an annual grant basis, from the region. It reports to both the Ministry and the region.

The Niagara Children's Services Committee was in the process of incorporation at the time of writing of this report. After a decade of operation, it is looking at a potential broadening of its mandate beyond children's services.

*Manitoulin-Sudbury District Health Council* The Manitoulin-Sudbury District Health Council (DHC) was established in May 1976. It has a membership of 17 people: one physician, one dentist, one registered nurse, one person from the hospital sector, two from local health agencies or the Allied Health Professionals Association, one from the Sudbury District Labour Council, five consumers, and one member from each of five geographic areas within the district, including the Regional Municipality of Sudbury. Until recently, the geographic representatives had not necessarily been elected officials; now this is a requirement of the Ministry of Health. Staff of the Manitoulin-Sudbury DHC and MCSS meet on a regular basis, and MCSS staff are involved in all DHC committees. The Ministry of Northern Development and Mines is also a partner with the Ministry of Health and MCSS in a variety of initiatives providing a strong community development focus. The major issues for the Manitoulin-Sudbury DHC today are transportation



and housing, youth services, and services for elderly persons, especially home support services.

In each of the five geographic areas represented on the DHC, a local Health and Social Services Advisory Committee was established jointly by the DHC and the regional voluntary-sector social planning group. Membership on these local advisory committees includes service providers, elected officials, and consumers, with the exception of the Regional Municipality of Sudbury, where the advisory committee includes local politicians only. The Ministry of Northern Development and Mines is also represented on most Health and Social Services Advisory Committees. The advisory committees report to the DHC, MCSS, and the Municipal Association (a collective of smaller municipalities that meets to address issues of intra-municipal concerns, such as the development and funding of a Home for the Aged that would serve several communities). The DHC provides staff to support the work of the advisory committees. The formal relationship with MCSS is a relatively new one and has been established on a pilot project basis to plan services for elderly persons. Policy and funding decisions remain the responsibility of the Ministry of Health and MCSS.

A newly incorporated Social Service Research and Advisory Group is a voluntary-sector organization that acts as a resource group to the Health and Social Services Advisory Committees, working in cooperation with DHC staff. It also undertakes research and community development activities. In addition, this group has been instrumental in the coordination of social and related services for the eastern portion of the Sudbury district.

## Highlights from Consultations

A strong and consistent message emerged from the Committee's consultations, supporting a more structured and coordinated approach to planning. From the variety of views expressed during consultations, our analysis has identified some important common themes. They include the following:

- Planning for social services should be coordinated, and linked to related services, such as health, housing, and education. It

should encompass existing programs and client populations and should cross jurisdictional boundaries between provincial ministries or service providers. Planning should involve coordination of a broad range of services affecting such groups as children, elderly persons, persons with disabilities, and economically disadvantaged people. This coordinated planning process should facilitate a more client-centred approach by focusing on needs, rather than on categories of clients or services. But this approach should not preclude planning for specific target groups where appropriate.

- The Ontario government should be responsible for providing strategic direction for the province as a whole for social planning. This should be complemented by social planning activity at the local level.
- Whoever has the responsibility for carrying out this community planning process should have a clear mandate and a recognized role in the community. The planning process must include participation by all the key players, including the voluntary sector, clients, residents, the provincial government, and municipal governments.
- Each community should decide how the planning process can best be adapted to its area. There should be room for diversity and flexibility across the province, and the success of existing structures should be built upon, where appropriate.
- Governments, not the voluntary sector, should be primarily responsible for funding the planning process.

There was no consensus during our consultations about who should be responsible for the local planning process. A wide range of candidates emerged, including municipal government, the provincial government, a voluntary-sector organization responsible to the community and its funders, and a new community body appointed by the provincial government.

There was also no consensus on whether local planners should allocate resources. But there was a common concern that planning should be linked to funders, so that dollar allocations would correspond in some way to the priorities set by planners.

It should be noted that the PMSSR Voluntary-Sector Reference

Group indicated a clear commitment among its constituents to be involved as a major participant in a new community planning process and to work with other partners to make that process work. It asked that the independence and diversity of the voluntary sector be respected, and that its role be a collaborative, not a nominal, one.

## A NEW APPROACH TO PLANNING

One of the key expectations of a new approach to planning is that it should help to coordinate the broad array of social services being provided in communities. Many of these services are interconnected. For example, the Social Assistance Review Committee pointed out how important a service such as child care can be to a single parent receiving income support who is trying to get back into the work force. Existing demarcations between services and between client groups have tended to force current planning into narrow perspectives focused on specific programs. Our new approach focuses on a community plan that deals with the whole spectrum of social services and related services.

### Basis for a New Planning Approach

#### **Applying Our Principles**

The Committee has stated that planning and coordination of services must be promoted and increased. In this chapter, we recommend that a community social service plan be developed by regions, counties, and northern district cities. The local plan will coordinate and set priorities for each community's response to needs. We also make recommendations on links between social service planning and related service planning in communities; links with community health are especially important, because coordination is needed for related services that cross ministerial jurisdictions. We support our principles of community involvement and consultation by advocating that the community planning process draw all the key players

together, including the voluntary sector and clients of the system. We propose that links be established between provincial government planning and community planning, so that each influences the other. We propose also that planning be carried out by all sectors within the context of fiscal realities.

### **Characteristics of Effective Planning**

The Committee considered what would characterize an effective planning process. We concluded that it should include the following:

**Coordination** Planning should help to coordinate social services in communities. The planning process should be the point of contact between service envelopes. Managers would plan for their particular service envelopes, but there should be an opportunity through a community plan to look at priorities across the system.

**Collaboration** The community planning process should involve all the key players in a collaborative working relationship. The key players would include the provincial government, municipal governments, the voluntary sector, other service providers, users of services, and other citizens. By collaboration, we mean that representatives of these groups should be actively involved in development of a community social service plan. All these groups have a stake in the system as providers of service, funders, users, or taxpayers, and as such they have a contribution to make to planning.

**Links to Related Services** Planning for social services should be linked to the broader area of human service planning in communities. It is important that the system have ways of responding to needs that cross jurisdictional lines. Links formed through a planning process would provide a solid basis from which to promote coordination and cooperation.

**Provincial Directions and Local Flexibility** Social service planning in communities should occur within the limits of the provincial government's broad strategic directions and policies. Provincial planning should also reflect the plans and priorities set by local

community plans so that the diversity of Ontario communities is reflected in provincial strategic directions. In addition, communities should have the flexibility to design their own specific structures for the local planning process. There is now considerable variation in their involvement with social service planning; for example, some areas have had an active social planning council for decades, while others have no such local body. The Committee sees value in having communities build on the success of existing structures.

## A Community Social Service Plan

The Committee is convinced that there is a need for communities to develop a social service plan that provides an overview of current and emerging needs and services and sets priorities among competing demands for services and resources. Having such a plan would not preclude or replace the planning that is being done by many social service agencies in communities across Ontario. Rather it should help to bridge the gaps between different parts of the system.

**Recommendation 39** *A community-based planning process for the social service system should be established in communities across Ontario.*

### Developing the Community Social Service Plan

The community plan would cover all five service envelopes in our management framework. But it would not replace the important planning role of the manager of a service envelope. The service manager would do the detailed operational planning for the services within each envelope. We would expect the planning process conducted by service managers to include participation by a range of funders, providers, and users of services.

Since we recommend that MCSS be the service manager for three of the envelopes, the Ministry would be expected to do the operational planning that is part of its management role for children's services, income and employment support services, and facility-based care. We would expect the MCSS area offices to take on this role.



Similarly, the municipality would have responsibility for the preparation of operational plans in the areas of child care and community-based support services. If, as was discussed in Chapter 4, some other configuration of long-term care services emerges, then operational planning responsibilities for long-term care would have to be assigned after further discussion.

The community social service plan would recommend community priorities, based on identification of needs and in the context of fiscal realities. The community plan would include the plans of the various service managers; the community planning process would not change the operational plans for the service envelopes, but it could comment on how these plans fit with broader community priorities for social services. For example, the community plan might predict increased demand for services for older teenagers rather than young children in the community, and make expanding services in this area a community planning priority. The community plan would be advisory; it would influence service managers and funders. If community planning priorities are ignored in the provincial allocation of funds, an effective planning process will not result.

**Recommendation 40** *The community social service plan should recommend community priorities, based on identification of needs and in the context of fiscal realities. It would include the plans of the various service managers and should serve to advise service managers and funders.*

To ensure that the plan has a strategic focus, it should be developed on a long-range basis with priorities identified within a three- to five-year cycle, much as capital projects are planned. The community social service plan would be updated annually to ensure that the priorities continue to be appropriate and to facilitate the relationship between the planning process and the resource allocation process. The plan should be forwarded to the Ministry of Community and Social Services. MCSS should review the plans to ensure that they are in accordance with provincial strategic directions.

**Recommendation 41** *The community social service plan should be a long-range plan with priorities identified within a three- to five-year cycle, with an annual updating of priorities. The plan should be forwarded to the Ministry of Community and Social Services. MCSS should review and respond to all community social service plans.*

### **Planning Area**

There are many definitions of "community," so it is important to define the planning area for this community planning process. In our view, the most appropriate planning area would be determined by the existing geographic boundaries of regions, counties, and northern districts. In choosing regions, counties, and districts, the Committee took two issues into account: existing structures and economies of scale. It does not seem practical to redraw the map of Ontario for the purpose of this planning exercise. Using existing boundaries will take advantage of familiar territorial limits and should facilitate links with other bodies organized on a similar geographic basis. The size of these planning areas is large enough, in most cases, to include a viable range of services and people in need of those services. Planning could theoretically be done at the neighbourhood level, but the range of services would usually be too narrow. It is also important that the area not be so large that the planning process would be unwieldy or too remote from service providers and users.

In recommending a planning area that follows regional and county upper-tier municipal boundaries, we are including all those lower-tier municipalities, including separated municipalities, contained within the upper-tier municipal boundaries. The reports of both the Social Assistance Review Committee (*Transitions*, 1988) and the Consultation Committee to the Minister of Municipal Affairs (*County Government in Ontario*, 1989) highlighted the issue of separated municipalities and supported pursuing integration with the county structure, if feasible. The Committee wishes to emphasize that it does not recommend that local plans be developed for each of these lower-tier municipalities. The plan should be on a region-wide or county-wide basis.

In northern Ontario, District Welfare Administration Boards have shown that the district can be a viable size for administration of social services. The same should be true of planning. However, as in

the South, there are separated municipalities that should be included in the district planning area. The districts also include large areas with no municipal organization, and the service needs in these unorganized areas would also have to be included in the district plan.

One concern of the Committee about these planning areas is that some counties or districts may not have a sufficient population base to form a viable planning unit, although the geographic size of the area may be substantial. In such cases, we would encourage a consolidated planning process for two or more neighbouring counties or districts.

**Recommendation 42** *The planning area for the community social service planning process should be the existing boundaries of regions, counties, and districts, and should include all lower-tier municipalities, including separated municipalities, within those boundaries. Consolidation of the planning process in two or more counties or districts should be encouraged where such consolidation would strengthen the process.*

### **Responsibility for the Plan**

We heard the viewpoint from a number of people during consultations, and in particular from the Voluntary-Sector Reference Group, that there must be a recognized, mandated planning process established in communities in order to ensure consistency across Ontario, a focus to draw the various players together, and a mechanism for reaching consensus, based on the needs of the community. The Committee agrees that an appropriate local body should be delegated the responsibility for preparing the community social service plan.

We recommend that municipal government, at the level of regions and counties, be delegated the primary responsibility for preparing a community social service plan. In this report, we have already recommended a significantly enhanced management role for municipalities in child care and community-based support services. The planning role would be an additional responsibility that fits well with the overall community development focus of the municipal sector. Municipal governments are involved in planning the growth, development, and quality of life in their communities. A number of municipal governments are already taking the lead in

developing social development plans. In addition, placing this responsibility in municipal hands puts the planning process close to the community, where its effects will be felt. Other reasons to support a municipally led process are experience and accessibility. Most upper-tier municipalities are accustomed to dealing with social issues and are familiar with local voluntary service organizations. Municipal politicians are accessible and accountable to the public.

Where regions and counties do not exist, as in much of northern Ontario, we propose that MCSS should determine the most appropriate community planning structure for social services.

**Recommendation 43** *Municipal government at the level of regions and counties should be responsible for preparation of a community social service plan. Where these municipal structures do not exist, the Ministry of Community and Social Services should determine the most appropriate community planning structure for social services.*

### **Provincial Planning**

There should also be a correlation between the plans coming from the front lines of service in communities and the strategic plans and policy guidelines coming from the provincial government. The communication should flow both ways. MCSS should ensure that its strategic plans for social services are transmitted to communities. The Ministry should also be aware of the priorities that are important to communities across Ontario, and this information should be taken into account in the MCSS strategic planning and budgeting processes. It is also important that information on new provincial directions be communicated to communities in a timely way so that communities can respond as part of their regular planning and budget processes.

**Recommendation 44** *The Ministry of Community and Social Services should ensure that its strategic plans and policy guidelines are effectively communicated so that they can be considered in community social service plans. Communication should be done in a timely manner, consistent with local planning and budget processes. The Ministry should have regard, in its own strategic planning and budgeting processes, for the social service priorities of communities across Ontario.*



## Participation

We have stated our support for a planning process that is broad-based and participative and that includes representatives of the provincial government, municipal governments, the voluntary sector, other service providers, users of services, and other citizens. There must be collaboration among these key players in order that the planning process may have the benefit of the expertise and experience of a wide range of community participants involved with social services. The community planning bodies we looked at during our deliberations provide examples of different ways of getting a cross-section of key players involved; for example, by inviting applications from interested members of the public, by having a community membership that elects representatives, and by asking for representation from social service agencies, health agencies, and school boards.

Because communities across Ontario are so diverse in size and character, and because some planning organizations are already operating successfully in some communities, it should be left up to communities to decide how they involve the key players in their community plan.

The Voluntary-Sector Reference Group provides a good example of what can be accomplished through organization and consensus-building when there is the commitment to do it. This reference group, which included the United Ways and the Ontario Social Development Council, canvassed a broad cross-section of its constituents and delegated certain representatives to speak before the Committee. In the same way, various service groups could get together in communities and agree to nominate someone to represent them at the community planning table. Similarly, it is important that the service managers include funders, deliverers, and clients in their planning process for their service envelopes.

**Recommendation 45** *Development of the community social service plan should involve all the key players, including representatives of the provincial government, municipal governments, the voluntary sector, other service providers, users of services, and other citizens.*



### Links Between Services

Establishing planning links across the broad spectrum of human services is not a new concept in Ontario. However, a major impediment to success has always been the magnitude and complexity of the task of pulling together such a large number and diverse array of services for the purposes of planning. Human services currently involve planning by at least a dozen separate provincial ministries and by a wide range of service providers at the local level.

The provincial government is emphasizing interministerial coordination in its own strategic policy development, and some communities are looking for ways to coordinate local planning among different service systems. There is a recognition that linking at least some human service planning offers the opportunity of managing the interrelationships among different service areas where they overlap or have an impact on one another. An initiative in one service can cause repercussions in another; links between the social service planning process and the health, education, and housing sectors could help to ensure that the necessary range of services is available in a community and accessible to those who need them.

The current focus on community living is another factor that lends weight to the need for human service planning. Client groups that used to be separated into various specialized institutions are now living in the community and using mainstream services. The isolation of programs and services is being deliberately reduced. In addition, the pressure of fiscal constraints provides a different kind of incentive for cooperative planning. Where resources are limited, choices have to be made, and those choices should be based on priorities that take into account the most effective way of meeting needs, whether the service is offered in a school, a hospital, a community centre, or someone's home.

Consolidating the whole range of human service planning at the community level seems to this committee impractical. We are concerned that it would entail such a large structure and bureaucracy that it could end up being remote from community influence, and spread too thin over too many service sectors to have the necessary expertise and contact with the real world of service delivery. However, we want to encourage the community planning process for social services to begin linking to other planning processes in the community. This linking could help to foster cooperation and coor-

dination among service systems, to reduce fragmentation of services, to eliminate duplication and overlap of services, and to identify gaps.

We also believe that the most logical starting point for establishing links is community health services. While there are some gaps between social and health services, there are also considerable overlaps. The interrelationship between the two systems is probably best illustrated in terms of need. Elderly persons and persons with disabilities may receive the same kinds of services from different ministries; one will be labelled a "social" service, and another will be labelled a "health" service, but from the recipient's perspective, the service meets the same need: the support that enables people to live independently at home.

A number of studies in Ontario and other jurisdictions have pointed to the complementary nature of social and health services and the crucial interdependence of social and health concerns in people's lives. For example, the report of the Ontario Health Review Panel, *Toward a Shared Direction for Health in Ontario* (1987), pointed to "the complexity of the interface" between the Ministry of Health and MCSS. We recommend that social service planning in communities be coordinated with planning for community health services.

We noted earlier that the Ministry of Health and District Health Councils supported an enhanced planning role for DHCS in their communities in the report *District Health Councils: Partners in Health Planning*. The Committee is concerned that this means of achieving integration of health and social service planning focuses on DHCS, MCSS staff, and the Ministry of Health, and appears to exclude municipal governments. Municipalities, with their broad community perspective, should play a key role in planning for community health and social services, and we have so recommended in this report.

While we propose concentrating initially on coordinating social services and community health, we recommend that the planning process eventually foster closer cooperation with other related services; school boards, housing authorities and corporations, transit authorities, recreation departments, post-secondary educational institutions, and correctional service agencies are a few examples of bodies that should be involved.

**Recommendation 46** *The community planning process for social services should be coordinated with planning for community health services.*

**Recommendation 47** *Consideration should be given to establishing planning links with other related service bodies such as school boards, housing authorities and corporations, transit authorities, recreation departments, post-secondary educational institutions, and correctional service agencies.*

One of the points heard most often during our consultations concerned the complexity of multiple lines of accountability to different provincial government offices and ministries. If the community social service plan is to be linked to community health services and related services, some cooperative mechanism will have to be developed at the provincial level to link the strategic planning of the Ministry of Community and Social Services with the planning of the Ministry of Health and other ministries. In the same way that social service strategic plans and directions need to be communicated to the local level, initiatives involving coordination of social service and other human service plans must also be passed on to communities.

**Recommendation 48** *The Ministry of Community and Social Services should link its strategic planning and priority-setting for social services with provincial strategic planning for community health and other related services. Coordinated plans, directions, and initiatives developed through links between MCSS and other ministries should be communicated to the local level.*

### **Funding**

The Committee considered how this new planning function should be cost-shared. We concluded that funding should be on the same basis as other social service cost-sharing in this report, that is, on a 75-25 basis.

**Recommendation 49** *The Ministry of Community and Social Services and the municipal sector should share the costs of community social service planning on a 75-25 basis.*

### **Boundaries**

We recommended earlier in this chapter that the planning areas for community social service planning should use the same boundaries as regions, counties, and districts. It would also improve chances of coordination, among various ministries and among various agencies at the community level, if the province adopted the same boundaries for social services and related human services; these boundaries should correspond to the boundaries of regions, counties, and districts. At the moment, different ministries have different regional and area planning boundaries, depending on the way each ministry subdivides the province for the purpose of its field offices.

*Recommendation 50 Provincial government ministries concerned with social services and other related services should, wherever possible, use similar geographical boundaries that correspond to the boundaries of regions, counties, and districts.*

### **Information Exchange**

Improved communication and information-sharing is needed between social services and other human services, such as health. It is important to exchange information on tracking of trends in needs and services, in a form useful to different service sectors and systems. A concerted effort should be made to formulate data that can be cross-referenced across service sectors and systems. Since we recommend that priority be given to planning links with the health system, we propose that the effort to develop compatible planning information start with social services and community health.

*Recommendation 51 Compatible planning information should be developed for all human services, starting with social services and community health.*

### **Land Use and Social Planning**

We have referred often to links between social services and related services, but there are also important connections between land use and social planning. Municipalities are responsible for land use planning in their jurisdictions, and social impacts often result from land use planning decisions, such as development of a new subdivision. Conversely, social development decisions often affect land

use planning: education needs school buildings, and child care requires child care centres, for example. This interrelationship between planning for land use or physical services and planning for social services and other related services is acknowledged in provisions of the Planning Act that require municipalities to "have regard for relevant social, economic and environmental matters." In order to reinforce the importance of this issue, we recommend that all municipalities should explicitly take into account social and other related planning in land use planning, as the act allows.

*Recommendation 52 All municipalities should ensure that there is a process for managing the relationship between land use planning and planning for social services and other related services in communities.*

## Conclusion

The perception that the social service system is operating not as a "system" but as a disjointed network of service organizations was one of the key messages the Committee heard during its consultations. Our recommendations for a community planning process should go a considerable distance towards resolving that issue, without increasing the bureaucracy and complexity of the system.





## **Implementation: The Implications of Change**

The recommendations the Committee has made in this report represent far-reaching and substantive change for the social service system. It is our view that the key players in the system today, including both providers and recipients of services, are looking for change – the kind of change that will mean a real transformation in the system. Expectations have been raised by the appointment of reviews such as this one and the Social Assistance Review Committee. There is a general feeling, which this committee shares, that the system is at a critical turning point: changes must be made to help the system adapt to the future, and they must be made soon, before the future overtakes us. There is a sense both of urgency and of opportunity driving the momentum for change.

One of the exercises the PMSSR Committee went through in its deliberations was to envisage the kind of social service system we would like to see in the future. What we found was that the strategic directions of the current system are generally pointed towards where we want to go – towards greater community involvement and influence, more flexibility and accessibility of services to serve a diverse population, more generic services to serve a cross-section of client groups, a focus on individual independence and choice, a de-emphasis of large-scale institutional care in favour of supports for community living, greater emphasis on preventive services, coor-

dination of related services, and effectiveness and affordability. The strategic goals are in place, and progress is being made towards them in some service sectors. However, there is still a substantial gap between the current system's goals and its day-to-day realities. We recognize that there will always be changing needs and new challenges. What this committee has attempted to do is recommend ways to improve provincial-municipal management of the system, with the goal of making it more effective, more dynamic, and more able to move in the direction of its strategic goals.

The provincial-municipal relationship has become strained in recent years. Factors causing pressure on the relationship have not been exclusively related to social services, by any means, but this review process has provided us with an opportunity to begin to re-establish a positive working relationship by building a new framework that recognizes the strengths and capacities of both parties.

For the purposes of this report, we have divided our new approach into three sections: service management, funding, and planning. However, the three are parts of an interrelated and interdependent whole. Each is equally necessary to the overall realignment and improvement in the provincial-municipal management of the system.

We have emphasized throughout this report the perspective that this review was directed to take by its terms of reference: the provincial-municipal relationship. Therefore, the immediate impact of our recommendations would be felt in that organizational sphere. Once our proposed framework for service management, funding, and planning is in place, the system would be in a much better position to address issues such as quality and quantity of services, and to respond effectively to the priorities of communities. The proposed framework is not the answer to all problems in the system; however, it would be the springboard from which the system could move forward to address such issues.

## The Proposed Framework

In the principles we arrived at for managing the social service system, we recommended joint responsibility between the municipal and provincial sectors for making the system as effective and effi-

cient as possible, recognizing that while each level of government has its own distinctive roles and obligations, both must work together. We recognized that to fulfill our shared commitment, each partner must have roles and responsibilities that are clear and consistent with the capacity of the level of government assuming them, and each must also have the necessary authority to go with the responsibility. In the framework we have proposed in this report, both parties would have clear and separate roles in service management and funding. Where we have recommended that municipalities assume the role of service manager and participate in funding, we considered carefully the kinds of services that would be most appropriate to local management, and whether it would be possible to ensure a reasonable level of local authority, within the parameters of the legislative, regulatory, and policy-making role of the Ministry of Community and Social Services.

In the process of clarifying, disentangling, and streamlining roles and responsibilities, it was necessary to draw some lines around groups of services, which we have called service envelopes, for the purposes of management and funding. We felt it was vital to eliminate the current overlapping of responsibilities between MCSS and the municipal sector, and to capitalize on the affinities between related services (for example, by putting home support services for elderly persons and persons with disabilities into the same community-based support services envelope). In considering which services should be grouped together, we applied our principle of balancing provincial responsibility for equity across the province and the need for flexibility at the local level.

In proposing a realignment of the roles and responsibilities of MCSS and the municipal sector, we have recommended a framework in which municipalities would be responsible only for services over which they have some authority. This would remove many of the sources of friction in the provincial-municipal relationship. Municipalities would no longer be required to contribute financially to Children's Aid Societies or to the allowances and benefits of the income support program. The two service envelopes that we would assign to municipalities for service management and cost-sharing purposes – child care and community-based support services – are ones that we believe are particularly well suited to local adaptation and authority. We have stated our preference for municipalities

continuing as delivery agents for the income support program, and suggested some ways of working that responsibility out.

We have tried to make the proposed framework fit with changing times and evolving service needs. For example, we advise leaving facility-based care for persons with developmental disabilities under MCSS management because institutional care is in a transitional phase, being gradually replaced by at-home care and smaller community residences. When the first phase of the long-term MCSS plan for closing these institutions is completed, management of community-based accommodation and support services for persons with developmental disabilities should become a municipal responsibility. The community-based support services envelope would also include many services for elderly persons, who are a growing proportion of Ontario's population.

The service management role, as we envisage it, should include the responsibility for managing the quantity and quality of the service, in accordance with provincial legislative and strategic policy directions. It should also include the authority to choose the manner in which the service would be delivered. In this way, we serve our principle of increasing planning and coordination in the system, because there would be a single service manager for an envelope of related services, who would oversee delivery and hold delivery agents accountable for service quality.

Since there is also a need for system-wide social service planning in communities – we do not want planning for service envelopes to be carried out in isolation – we recommend establishment of a community-based planning process for social services in communities across Ontario. We propose that responsibility for preparing the community plan, receiving the service managers' plans, and forwarding the completed plan to MCSS be vested in municipalities. The community planning process should also promote links between social services and other human services in communities, and between local planning and strategic planning by MCSS and other provincial ministries. We followed our principles of community involvement and consultation by promoting a participatory planning process, involving service providers, governments, clients of the system, and other community residents.

Another of our principles pertains to fiscal realism. We looked at cost-sharing in the light of fiscal realities, particularly the fiscal



capacity of municipalities. We treated funding as a joint provincial-municipal responsibility, and we recommend simplifying and disentangling funding roles and cost-sharing ratios. To further our principle of consultation, we recommended that regular consultations be held by the two levels of government on social service issues.

We hope the principles we have developed will continue to guide the joint management of the system, as they have guided this committee in reaching recommendations for a new provincial-municipal framework. The system will not remain static, and there will continue to be issues that affect the provincial-municipal relationship. If there is a commitment to review these principles when there are new issues to consider, we believe they can be helpful in reaching an acceptable resolution for both parties.

## Critical Issues for Implementation

We have designed our proposed provincial-municipal framework to improve the overall management of the system. Any change of this magnitude would cause some disruption in the system, which would affect both service providers and clients. It will be necessary to plan carefully and consult extensively to minimize this disruption. The Committee has identified a number of critical issues that must be resolved in order for there to be an orderly and successful implementation of the changes recommended in this report.

### **Agreement to Proceed**

It is typical for a report of this kind to recommend that all its recommendations be implemented as soon as possible. We have already referred to the sense of urgency and opportunity associated with the need for change in the social service system. We realize that it is unlikely that all the changes recommended in this report could be implemented simultaneously, yet, in our view, it is essential that the recommendations for a new provincial-municipal framework of responsibilities be implemented as a package. The balance we have worked out between responsibilities for service management and funding would be dependent on both the province and the municipalities taking on new roles while being relieved of some ex-

isting ones. If only part of the new framework is implemented, the balance would be lost.

Our solution would be to urge agreement by the province and the municipal sector on implementation of the whole package, recognizing that the actual process of implementation would probably have to be accomplished in stages. This report will be considered by the Minister of Community and Social Services and the Ontario Cabinet; it will also be reviewed by the Association of Municipalities of Ontario and its membership and by the Ontario Municipal Social Services Association. Time will be allowed for feedback from the public and from those involved in the system. It is important, in our view, that the provincial government and the municipal sector come to a decision on implementation of this report as soon as possible. Once agreement has been reached to move ahead with the new framework, as a package, an implementation team should be established by the province to work out the detailed planning, including staging. The implementation team should include provincial, municipal, and voluntary-sector representation. The implementation team should have adequate resources to fulfill its role.

The Committee wishes to make it very clear that we are not calling for another study to follow up on this one. The implementation team is a means to action. It would plan, coordinate, and facilitate, not review decisions already made.

**Recommendation 53** *The Ontario government and the municipal sector should reach agreement on implementation of a new provincial-municipal framework as soon as possible. When agreement to proceed has been reached, an implementation team, with provincial, municipal, and voluntary-sector representation, should immediately be established by the province to plan and coordinate the implementation process.*

### **Staging Implementation**

We considered the possibilities for staging the implementation process. We have already referred to the urgency for reform. In this report, we have specifically called for some phasing in of new

cost-sharing ratios for those municipalities particularly affected by the proposed new funding arrangements. Over and above that phasing in, we suggest that implementation of some parts of this report could proceed before others. Some balanced changes could be made relatively quickly. For example, the province might take over full responsibility, including funding, for Children's Aid Societies, while municipalities assume service management responsibilities for child care, with new cost-sharing. Moving ahead with this kind of balanced implementation as soon as possible would be preferable to waiting for all the complex legislative and other processes to be completed. These changes must be made carefully to ensure that neither the province nor the municipal sector is placed at a significant fiscal disadvantage by the unilateral addition of new responsibilities without any change in existing ones.

**Recommendation 54** *Implementation of new provincial-municipal responsibilities should be staged in a way that does not substantially place at a significant fiscal disadvantage either the province or the municipal sector as a whole.*

### **Human Resources**

The impact on staff in both provincial and municipal social service offices will be considerable. Our recommendations involve a realignment of roles, which means that a number of job functions would shift from one level of government to another. Strategies must be developed to phase in new roles and responsibilities and to provide the necessary training for those whose jobs would be different. These changes must be planned and managed well to minimize disruption and anxiety for both staff and clients. Union representatives must be involved in planning for these changes; timetables must be established; training must be delivered. There would be implications for collective agreements and for human resource strategies for both MCSS and the municipal sector. Therefore, the highest priority must be given to human resource considerations. The implementation team must take the lead in developing labour relations and human resource strategies that would assist both municipal and MCSS staff. Municipalities and MCSS regional and area offices would also have to develop their own action plans.

**Recommendation 55** *Because of the impact on staff of shifts in provincial-municipal roles and responsibilities, and in the interest of minimizing disruption to people working in the system, human resource considerations must be given the highest priority by the implementation team. Staff and their representatives must be involved in this process. Specific issues to be addressed by the implementation team include labour relations and human resource strategies, strategies for staff retraining, and timetables for implementation.*

### **Municipal Development**

Given the current varying municipal involvement in social services across Ontario, it is important that municipalities that want assistance in developing greater expertise to help them with any new service management responsibilities should have ready access to such assistance. It is the Committee's view that all parties to this review – the Ministry of Community and Social Services, the Association of Municipalities of Ontario, and the Ontario Municipal Social Services Association – should play a role in providing this assistance. OMSSA might be the appropriate organization to take the lead in this area.

Individual municipalities would also play a role. *County Government in Ontario*, the report of the Consultation Committee to the Minister of Municipal Affairs (1989), recommended that counties conduct their own studies to plan for reorganization and strengthening of the county system. These study groups might, for example, be asked to examine the implementation implications of this report.

**Recommendation 56** *The Ministry of Community and Social Services, the Association of Municipalities of Ontario, and the Ontario Municipal Social Services Association should provide assistance to municipalities that request help in acquiring greater expertise in service management.*

### **Legislative Change**

Implementation of the proposed new framework would require substantial legislative change. Some new acts would have to be introduced, and amendments would be necessary to existing legisla-



tion and regulations. Legislation that would be affected includes the Family Benefits Act, the General Welfare Assistance Act, the District Welfare Administration Boards Act, the Homes for the Aged and Rest Homes Act, the Charitable Institutions Act, the Elderly Persons' Centres Act, the Homemakers and Nurses Services Act, the Ministry of Community and Social Services Act, the Homes for Retarded Persons Act, and the Developmental Services Act.

In some cases, new legislation is already pending. A number of these proposed new acts are discussed in Chapter 4. MCSS is working on new income support legislation consolidating FBA and GWA, and on a new Community Services Act that will consolidate legislation for a number of community-based services now covered by separate acts, such as Elderly Persons' Centres and Homemakers and Nurses Services. A new Child Care Act is also anticipated. The provincial government has indicated it will be introducing new extended-care legislation, which would affect the Homes for the Aged and Rest Homes Act and the Charitable Institutions Act.

The Committee is aware that the legislative changes required to implement this new provincial-municipal framework would take some time. However, we hope that the changes could be completed within two to three years.

**Recommendation 57** *The Ontario government should expedite the development of new legislation required to implement this report.*

### **The Voluntary Sector**

The Committee is aware that the changes in provincial-municipal responsibilities recommended in this report would have important implications for the voluntary sector. Specifically, a number of organizations involved in child care and in community-based services to elderly persons and persons with disabilities are now accustomed to dealing with the Ministry of Community and Social Services. With municipal service management of child care and community-based support services, many of those organizations would be dealing in future with municipalities. As with other aspects of implementation, we hope that this changeover could be accomplished with a minimum of disruption to service providers and clients. Municipalities are confident that a positive and productive working



relationship between voluntary organizations and municipalities can and will be developed. To ensure that the voluntary sector is consulted on implementation issues, we have recommended that the implementation team include voluntary-sector representation. However, since there is such a broad network of service agencies, we propose that, in addition, the team also establish a reference group similar to the one that provided advice to this committee on voluntary-sector issues.

**Recommendation 58** *The implementation team should set up formal consultations with a voluntary-sector reference group to obtain advice on implementation issues related to that sector.*

### **Provincial-Municipal Consultations**

One of our principles for managing the system is consultation. We are aware that there are already forums established for provincial-municipal consultations. The executive of AMO meets regularly with the Minister of Municipal Affairs, and OMSSA has a protocol for liaison with MCSS. We would like to reinforce existing mechanisms by recommending that there be a well-defined process of regular consultation between the province and the municipal sector on social service issues. We suggest that this consultation process might initially include the Ministers of Community and Social Services, Health, and Municipal Affairs and the Treasurer of Ontario. We hope to promote a regular dialogue so that emerging issues are dealt with early, before they have a chance to become problems.

**Recommendation 59** *A well-defined process of regular consultation should take place between the provincial government and the municipal sector on social service issues.*

As part of our work for this report, we have developed a valuable financial data base for social services. We want to ensure that it is maintained and updated for future reference. It should be useful for tracking financial trends and impacts. As part of regular provincial-municipal consultations, these financial data should be reviewed to monitor trends and impacts.

**Recommendation 60** *The PMSSR financial data base for social service expenditures should be maintained and updated regularly. The provincial government and the municipal sector should monitor trends and impacts in social service expenditures as part of regular consultations.*

## Conclusion

As a concluding note to this report, the Committee would like to re-emphasize the importance of viewing its recommendations as a package. Service management responsibilities would complement and reinforce changes in funding arrangements. In addition, establishing a community planning process for social services across Ontario would provide necessary links between service envelopes and tie social service planning to the wider environment of other related services.



## Appendices





## **Terms of Reference**

*Released by the Ontario Ministry of Community and Social Services  
June 19, 1987*

### **Background**

The Ministry of Community and Social Services and the Association of Municipalities of Ontario have agreed to establish a committee to continue to review their joint roles and responsibilities for the delivery and funding of social services.

The first phase of this review was conducted in 1985. The Funding Arrangements Committee was established in 1985 "to examine existing arrangements for funding income maintenance administration and delivery in light of anomalies that have been pointed out by the Integration test projects".

The Funding Arrangements Committee reported in October 1985. It outlined five options for rationalizing cost sharing, for those municipalities that opted for integration of General Welfare Assistance and Family Benefits. The Committee also recommended that it continue to meet in a second phase of deliberations. Phase 2 would consider those income maintenance issues that could not be dealt with in the timeframe for Phase 1 or were not resolved after the completion of Phase 1.

During the winter of 1985-86, the Ministry identified issues in a number of social service program areas that need to be reviewed in light of new government priorities and directions. These additional issues go beyond the questions raised about the cost sharing of income maintenance programs and support services. They embrace services for children and for the elderly as well as social assistance.

In a December 4, 1985 meeting with AMO, the Minister of Community and Social Services indicated his interest in pursuing a wider-ranging discussion with the municipalities concerning the respective provincial-municipal roles and responsibilities in the delivery and cost sharing of all social service programs.

In response to the Minister's proposal, AMO agreed to broadening the scope of the review for Phase 2 provided that it be completed within an 18-month timeframe.

Consequently, the discussions in Phase 2 will be more comprehensive in nature and will shape the basis for provincial-municipal relationships in social service delivery and cost sharing for the next decade or more.

Because of the comprehensive and programmatic nature of the discussions, it is appropriate that OMSSA also be a full participant in these expanded discussions.

There is currently dissatisfaction on the part of municipalities with present cost sharing arrangements.

### **Purpose**

Establish a joint MCSS, AMO, OMSSA Committee to review existing relationships between the province and the municipalities with respect to the delivery and funding of social services, and to propose options for a more rational framework of responsibilities for service delivery and cost sharing.

### **Scope of the Joint Committee Review**

In undertaking its task, it is expected that the joint committee will:

- consider the strategic issues to be faced in restructuring provincial-municipal relationships in the delivery and funding of social services;
- determine under what circumstances and conditions, if any, municipalities should be given more or less responsibility in the delivery of social services;

- determine whether, outside of Canada Assistance Plan requirements and other accountability considerations, "claims-based" transfer payments are the only way for the province to fund municipal social services, or whether a "conditional block funding" approach work just as well or better;
- strive to reconcile the concepts of local autonomy and provincial responsibility in the delivery of social services;
- discuss the program and cost-sharing objectives and principles upon which provincial-municipal relationships in social service delivery should be based;
- examine the strengths and weaknesses in existing service delivery and cost-sharing relationships on a program-by-program basis;
- explore alternative approaches that capitalize on existing strengths and correct weaknesses in current practice and that will provide for a more effective delivery of the types of social services required for the 1990s.

### **Joint Committee Membership**

The joint committee includes four representatives from MCSS, four from AMO and three from OMSSA. The Committee will be jointly chaired by Ron Book, an AMO representative and Chairman of the Social Services Committee for the Regional Municipality of Niagara, and Colin Evans, Executive Director of Strategic Planning and Inter-governmental Relations for the Ministry.

Also representing the Association of Municipalities of Ontario will be:

- Nancy Smith, City of Ottawa Alderman and Chairperson of the Social Services Committee of the Regional Municipality of Ottawa-Carleton;
- Roger Taylor, Mayor of the Town of Elliot Lake;
- Richard Picherack, Commissioner of Community Services for Metropolitan Toronto.

Representing the Ontario Municipal Social Services Association will be:

- Phil Johnston, Commissioner of Social Services for the Regional Municipality of Waterloo;

- John MacKinnon, Administrator of Social Services for Huron County;
- Alan Wells, Commissioner of Community Services for the Regional Municipality of York.

The other representatives of the Ministry of Community and Social Services will be:

- Gerry Duda<sup>1</sup>, Assistant Deputy Minister for the Community Services Division;
- Michele Noble, Assistant Deputy Minister for the Family Services and Income Maintenance Division;
- Michael Ennis, Regional Director of the Ministry's Central Region.

### **Outcome**

The joint committee is expected to produce a report that provides a framework for provincial-municipal relationships and funding responsibilities in social services. Specifically, that framework should be consistent with the government's strategic directions for social services and should provide:

- clear statements of the respective provincial-municipal responsibilities and accountability relationships in both service delivery and cost-sharing;
- a careful balance between local autonomy and flexibility, protection of diversity and individual rights, and province-wide standards of access and affordability;
- streamlined and flexible processes and procedures for program budgeting, subsidy claims and program monitoring that are simple to comprehend, evaluable and negotiable;
- congruence between program and funding responsibilities;
- identification of a joint program planning and development mechanism.

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1. Replaced by Sandra Lang, February 1988.

**Timeframe**

The joint committee is expected to accomplish its purpose within 18 months, starting in May 1987.

**Methodology**

1. Identify the strategic issues that will need to be dealt with in order to effectively shape the provincial-municipal partnership in social services for the 1990s.
2. Review current program data and determine the implications of that data for future considerations.
3. Identify those areas of the existing relationships that may require major change.
4. Assess existing MCSS-municipal roles, responsibilities, and cost sharing arrangements on a program-by-program basis.
5. More specifically, the joint committee is expected to:
  - reconsider those income maintenance issues unresolved during Phase 1 of the Funding Arrangements Committee, including, for example:
    - staff resourcing standards
    - Supplementary Aid
    - support services to the disabled
    - shareable and non-shareable administration costs
  - consider, at the discretion of the committee, the following areas:
    - municipal child care services
    - responsibility for CAS funding
    - homes for the aged
    - municipal involvement in the expansion of community support services for the elderly
    - Special Assistance
    - Non-Residents on GWA
    - municipal involvement in hostels and subsidy rates
    - emergency services including health, housing, and family counselling
    - municipal social services grants (100% funded by municipalities).



This list of programs does not preclude the addition of other provincial-municipal programs, potential provincial-municipal programs, or other items for consideration by the Committee.

- take into account other issues such as those flowing from:
  - the Social Assistance Review Committee Report, expected by mid-1987
  - the Ministry's consultation paper on child care
  - the White Paper on Health and Social Services for the Elderly.

6. Identify, discuss and evaluate alternative approaches and determine those that should constitute the recommended course of action to be put forward in the final report of the committee.

*Appendix B*

## **Task Group Members**

*Fall 1987*

### **Income Maintenance**

**Liz Behrens**

Councillor, Town of Oakville

**Trinela Cane**

Co-ordinator,

Provincial-Municipal Relations Unit,

Ministry of Community and Social Services

**David Court**

Director of Social Services,

District of Algoma

**Mark Hallas (Chair)**

Manager Special Projects,

Income Maintenance Branch,

Ministry of Community and Social Services

**John Millson**

Alderman, City of Windsor

**Debbie Moretta**

Program Supervisor,  
Mississauga Area Office,  
Ministry of Community and Social Services

**Russ Stuart**

Manager, Budget and Management Systems,  
Community Services Department,  
Regional Municipality of Metropolitan Toronto

**Child Care****Frank Capitano**

London Area Manager,  
Ministry of Community and Social Services

**Kay Eastham**

Director, Child Care Branch,  
Ministry of Community and Social Services

**John Harrison**

Councillor, Township of Delhi

**Sally Laine**

Councillor, Town of Geraldton

**Nancy Matthews**

Integration Co-ordinator,  
Metro Toronto Community Services

**Marna Ramsden (Chair)**

Director of Children's Services,  
Community Services Department,  
Regional Municipality of Metropolitan Toronto

**Dick Verrips**

Administrator of Social Services,  
County of Bruce

**Children's Services****Joan Belford**

Policy Analyst,  
Children's Services Branch,  
Ministry of Community and Social Services

**Michael Cushing**

Executive Director,  
Niagara Children's Services Committee,  
Regional Municipality of Niagara

**Barbara Horner**

Councillor, County of Lambton

**Sheila Masters**

Community Services Manager,  
Mississauga Area Office,  
Ministry of Community and Social Services

**William McLean**

Mayor, Town of Ajax

**Faye More**

Co-ordinator,  
Provincial-Municipal Relations Unit,  
Ministry of Community and Social Services

**Art Pope (Chair)**

Commissioner of Social Services,  
Regional Municipality of Ottawa-Carleton

## Community Support

**John Calcott**

Policy Development Officer,  
Community Services Department,  
Regional Municipality of Metropolitan Toronto

**Helen Cooper**

Alderman, City of Kingston

**Shari Cunningham**

Windsor Area Manager,  
Ministry of Community and Social Services

**Maurice Fraser**

Director of Social Services,  
Regional Municipality of Niagara

**Steve Handler**

Manager of Social Support,  
Family Support Branch,  
Ministry of Community and Social Services

**Hugh Stewart (Chair)**

Director of Policy and Program Evaluation,  
Regional Municipality of York

**Lynne Woolstencroft**

Alderman,  
Regional Municipality of Waterloo



## Elderly Services

**Brad Clements**

Councillor, Regional Municipality of Halton

**Glen Davies**

Director of Seniors Services,  
Regional Municipality of York

**Penny Hubbert**

Community Services Division  
Regional Municipality of York,

**Betty Lou Lynn**

Senior Policy Analyst,  
Elderly Services Branch,  
Ministry of Community and Social Services

**Richard Picherack (Chair)**

Commissioner of Community Services,  
Regional Municipality of Metropolitan Toronto

**Gus Sicoli**

Councillor, Town of Elliot Lake

**John Wilson**

Program Supervisor,  
Ottawa Area Office,  
Ministry of Community and Social Services

## Disabled

**John Anderson**

Former Executive Director,  
Ontario Municipal Social Services Association

**Ted Bounsall**

Councillor, City of Windsor

**Joan Christensen**

Policy Co-ordinator,  
Metro Toronto Community Services

**Janet Golding**

Mayor, City of St. Thomas

**Barney Owens**

Program Supervisor, North Bay Area Office,  
Ministry of Community and Social Services

**Peter Papp (Chair)**

Director, Services for the Elderly,  
Regional Municipality of Hamilton-Wentworth

**Frank Wagner**

Manager, Physical Disabilities Unit,  
Services for Disabled Persons Branch,  
Ministry of Community and Social Services

*Appendix C*

## Consultation Sessions

*Dates and Locations*

May 4, 1988	Stratford
May 5, 1988	Fort Frances
May 6, 1988	
May 12, 1988	Kirkland Lake
May 13, 1988	
May 26, 1988	Brockville
June 3, 1988	Toronto
June 21, 1988	
June 9, 1988	Ottawa
June 10, 1988	
June 14, 1988	Sudbury
June 15, 1988	North York
June 24, 1988	Chatham



*Appendix D*

## **Submissions to PMSSR by Organizations**

Advocacy Resource Centre for the Handicapped, Toronto

Association of Municipalities of Ontario, Toronto

Boys and Girls Clubs of Ontario, Hamilton

Cabinet Office, Office of Francophone Affairs, Toronto

Campbell Sterling, MPP Sudbury, Parliamentary Assistant

Canadian Hearing Society, Toronto

Canadian Paraplegic Association, Ontario Division, Toronto

Canadian Red Cross Society, Home Support Services, Mississauga

Children's Aid Society of the Region of Peel

Christian Horizons, Elmira

City of Sarnia, Social Services Department



City of York Community and Agency Social Planning Council

Community Services Council, Newmarket

Concerned Friends of Ontario Citizens in Care Facilities, Toronto

Corporation of the City of Brockville, Social Services Department

Corporation of the City of Cambridge, Community Services  
Department

Corporation of the City of London, Department of the City Clerk

Corporation of the City of Windsor

Corporation of the County of Kent, Community and Social  
Services, Chatham

Corporation of the County of Victoria, Social Services Depart-  
ment, Lindsay

Corporation of the Town of Clinton

Corporation of the Town of Geraldton, Social Services Department

Council of the Disabled of Ottawa-Carleton, Ottawa

Council of Elizabeth Fry Societies of Ontario, Mississauga

Counselling Services of Belleville and District

County of Brant/City of Brantford, Clerk Treasurer's Department,  
Brantford

County of Dufferin, Social Services Department, Orangeville

County of Hastings, Social Services Department, Belleville

County of Huron, Committee of Management, Goderich

County of Perth, Social Services Department, Stratford

County of Renfrew and City of Pembroke, Homes for the Aged  
Committee of Management

Cumberland Township, Home Support Program, Navan

District Health Council, Manitoulin/Sudbury

District Health Council, Metropolitan Toronto

District Municipality of Muskoka, Human Services Committee,  
Bracebridge

Dixon Hall Neighbourhood Social and Family Service Centre,  
Toronto

Family and Children's Services of Oxford County, Woodstock

Family and Children's Services, Planning Committee, London  
and Middlesex

Family Service Association of Metropolitan Toronto

Glebe Parents' Day Care, Ottawa

Haldimand-Norfolk Regional Review, Simcoe

Handicapped Action Group Incorporated, Thunder Bay

Knollcrest Lodge, Senior Citizen's Residence, Milverton

Learning Disabilities Association of Ontario, Toronto

Leeds and Grenville Children's Services Advisory Group,  
Brockville

Manitoulin-Sudbury District Health Council

Mayor's Committee on Employment Opportunities – Services to the Unemployed, Windsor

Meals on Wheels of Ontario Inc., Toronto

Metropolitan Community Services Department, Toronto

Ministry of Community and Social Services, Policy Subcommittee of the London Area Advisory Committee – Multi-year Plan, London

Muskoka District Community Services Advisory Group, Bracebridge

National Anti-Poverty Organization, Ottawa

North York Inter-Agency and Community Council, North York

Northwestern Ontario Women's Decade Council, Violence Subcommittee, Thunder Bay

Ontario Association of Children's Aid Societies, Scarborough

Ontario Association of Family Service Agencies, Task Force on Government Purchase of Counselling Services, Toronto

Ontario Association of Non-Profit Homes and Services for Seniors, Woodbridge

Ontario Association of Professional Social Workers, Windsor/Essex Branch

Ontario Coalition for Better Day Care, Toronto

Ontario Federation of Indian Friendship Centres, Toronto

Ontario Gerontology Association, Thorold

Ontario Home Support Association, Petrolia

Ontario Long-Term Residential Care Association, Oakville

Ontario Municipal Social Services Association – Child Care

Ontario Public Service Employees Union, Toronto

Ontario Women's Directorate, Toronto

Ottawa Council for Low Income Support Services, Ottawa

Persons United for Self-Help in Ontario, Toronto

Private Home Day Care Association of Ontario, Toronto

Regional Municipality of Durham, Health and Social Services  
Committee, Oshawa

Regional Municipality of Halton, Social Services Department,  
Oakville

Regional Municipality of Haldimand-Norfolk, Social Services  
Department, Townsend

Regional Municipality of Hamilton-Wentworth, Department of  
Social Services, Hamilton

Regional Municipality of Niagara, Children's Services Committee,  
Thorold

Regional Municipality of Niagara, Office of the Clerk, Thorold

Regional Municipality of Ottawa-Carleton, Office of the  
Commissioner of Social Services

Regional Municipality of Peel, Office of the Clerk, Brampton

Regional Municipality of Sudbury, Health and Social Services  
Committee, Sudbury

Registered Nurses Association of Ontario, Toronto

Sanders, James H., Councillor for Whitchurch-Stouffville

Senior Citizens Council Inc., Kingston

Sistering – Drop in Centre for Women, Scadding Court Com-  
munity Centre and Outreach Program for Women, Masaryk-  
Cowan Community Centre, Toronto

Social Planning Council, Ajax/Pickering

Social Planning Council of Kingston and District, Kingston

Social Planning Council of Kitchener-Waterloo, Kitchener

Social Planning Council of Metropolitan Toronto, Toronto

Social Planning Council, Newcastle, Oshawa and Whitby

Social Planning Council of Niagara Falls, Community Resources  
Centre, Niagara Falls

Social Planning Council of Ottawa-Carleton, Ottawa

Social Planning and Research Council of Hamilton and District,  
Hamilton

Social Planning and Research Council of St. Catharines and  
Thorold, Niagara Voluntary Sector Conference Participants,  
St. Catharines

Social Service Research and Advisory Group, Sudbury

Town of Lincoln, Beamsville



United Ways of Ontario, Toronto

Waterloo Region Social Resources Council, Waterloo

Women Plan Toronto, Toronto

York Inter-Agency Network, Toronto



*Appendix E*

## **Members of the Voluntary-Sector Reference Group**

**Ray Applebaum**

Older Adult Centres Association

**Fred Beck**

Chairman of Planning and Government Relations Committee,  
United Way of Greater Toronto

**Peggy Birnberg**

Opportunity for Advancement

**Sue Colley**

Ontario Coalition for Better Child Care

**Al Collins**

Chairman,  
Government Relations Program,  
United Ways of Ontario

**Brian Conway**

Ontario Council of Agencies Serving Immigrants

**Robert Couchman**

Family Services Association of Metro Toronto

**Pam di Cenzo**

Ontario Division, Canadian Red Cross

**Trudy Don**

Ontario Association of Interval and Transition Houses

**Lynn Eakin**

J.D. Griffin Adolescent Centre

**Susan Forster**

Persons United for Self Help (P.U.S.H.) Ontario

**Kim Fraser**

Ontario Association of Interval and Transition Houses

**Anne Genereux**

Ontario Association of Children's Aid Societies

**Stephen Gilles**

Executive Director,  
United Way of Sarnia, Lambton

**Michael Klejman**

Ontario Association of Non-Profit Homes and Services for Seniors

**Claude Leost**

United Ways of Ottawa-Carleton

**John Liston**

Executive Director,  
Family and Children's Services, London

**Diane Mandell**

Ontario Social Development Council

**Bill Oaks**

Executive Director,  
United Way of St. Catharines and District

**Mike Pennock**

Executive Director,  
Social Planning Council of Hamilton

**Rosemarie Popham**

Co-ordinator, Provincial Government Relations Program,  
United Ways of Ontario

**Lise Provost**

Ontario Social Development Council

**Jennifer Street**

Ontario Social Development Council

**Sandra Thurston**

Executive Director,  
United Way of Barrie-South Simcoe

**Neville Twine**

Executive Director,  
Ontario Social Development Council

**Morris Twist**

Executive Director,  
Guelph United Way, Social Planning Council

**Phil Utting**

Executive Director,  
United Way of Sault Ste. Marie

**Sheila Weinstock**

Ontario Association of Children's Mental Health Centres

**Rodney Walsh**

Ontario Association of Community Living



**Dr. Anne Westhues**

Faculty of Social Work,  
Wilfred Laurier University

**Bill Zimmerman**

Executive Director,  
United Way of Ottawa-Carleton

**Harry Zwerver**

Executive Director,  
Ontario Association for Community Living

## Research Documents

These documents may be obtained by contacting:

Ministry of Community and Social Services  
Provincial-Municipal Relations Unit  
Hepburn Block, Third Floor  
Toronto, Ontario M7A 1E9

### **1. Task Group Reports**

- |   |              |
|---|--------------|
| - Income Maintenance Task Group Report  | January 1988 |
| - Child Care Work Group Report  | January 1988 |
| - Report of the Children's Services Task Group  | January 1988 |
| - Report to Provincial-Municipal Social Services Review Committee by Elderly Task Group | January 1988 |
| - Report of the Task Group on Services to the Disabled                                  | January 1988 |
| - Community Support Services  | January 1988 |

2. **A Discussion Paper, Provincial-Municipal Social Services Review** April 1988
3. **Summary Notes of the Consultation Meetings, Provincial-Municipal Social Services Review** September 1988
4. **Summary Views from Submissions**
  - Summary Views on Service Delivery November 1988
  - Summary Views on Funding Arrangements November 1988
  - Summary Views on Planning November 1988
5. **Provincial-Municipal Cost-Sharing in Social Services in Canada, Ministry of Community and Social Services, A.R.A. Consultants** March 1988

## Description of Services by Service Envelope

### Children's Services

***Child Welfare*** A full spectrum of services (including residential, preventive protective, in-home support, counselling, and adoption services), provided primarily through Children's Aid Societies, in order to ensure care, protection, and support of families in need and of children who are or who are likely to be in need.  
**Legislative Authority:** Child and Family Services Act.

***Child and Family Intervention*** Services to children experiencing social, emotional, or behavioural problems and to their families. These include such functions as assessment, counselling, and residential services. The majority of approved agencies who provide these services are former children's mental health centres and former children's and youth institutions.  
**Legislative Authority:** Child and Family Services Act.

***Child Treatment*** Services to children suffering from mental or psychiatric disorders, and to their families, under the direction of psychiatrists. These include residential and non-residential

services. Existing service providers are former children's mental health centres.

**Legislative Authority:** Child and Family Services Act.

**Child Development** Services to developmentally disabled children, including residential care and family support programs for children over age 2 and school-aged children. Providers include community boards and agencies, parents, local boards of education, MCSS, and some municipalities.

**Legislative Authority:** Child and Family Services Act.

**Community Support** Support, research, and professional consultation services that facilitate or improve social supports for populations at risk and may reduce the likelihood of need for ongoing or more intensive services. Included are review and advisory bodies such as Residential Placement Advisory Committees and Children's Services Coordinating and Advisory Groups.

**Legislative Authority:** Child and Family Services Act.

**Young Offenders** A range of secure and open detention/custody and probation services provided in accordance with the federal Young Offenders Act and the Provincial Offences Act. These services are for young persons ages 12 to 15 who have been charged or found guilty of an offence under these acts. Also provided are the necessary correctional services and programs for those training-school wards who remain in the corrections system, as a result of orders under the former Juvenile Delinquents Act. Programs are provided directly by the Ministry and transfer-payment agencies. Services to youths ages 16 to 17 are under the jurisdiction of the Ministry of Correctional Services.

**Legislative Authority:** Child and Family Services Act, Young Offenders Act, Provincial Offences Act.

## Income Support Services

**General Welfare Assistance (GWA)** Financial assistance on a needs-tested basis to persons in emergency or short-term need.



The program is delivered by municipalities except in areas without municipal structures, where the province delivers the program.

**Legislative Authority:** General Welfare Assistance Act.

**Family Benefits Allowance (FBA)** Longer-term financial assistance on a needs-tested basis for specific client groups such as sole-support parents, disabled and elderly persons, and foster children. The Family Benefits Allowance program is administered by the province, except in eight locations where delivery to sole-support parents is integrated with GWA at the municipal level.

**Legislative Authority:** Family Benefits Act.

**Supplementary Aid** Financial assistance for exceptional items, provided on a needs-tested basis by municipalities to recipients of Canada Pension Plan, Old Age Security, Family Benefits, and Vocational Rehabilitation Services. In areas without municipal structures, Supplementary Aid is delivered by the province.

**Legislative Authority:** General Welfare Assistance Act.

**Special Assistance** Financial assistance provided on a needs-tested basis for exceptional items not provided under General Welfare Assistance. It is primarily delivered by municipalities; however, in unorganized territories without municipal structures, the province delivers Special Assistance.

**Legislative Authority:** General Welfare Assistance Act.

## Employment Support Services

**Employment Support** A series of employment initiatives designed to assist long-term social assistance recipients, or those likely to become long-term recipients, to become economically independent. Included in this category are existing Work Activity Projects designed to prepare clients for entry or return to employment through assessments, life skills, training, and work assignments.

**Legislative Authority:** Ministry of Community and Social Services Act, General Welfare Assistance Act.

***Vocational Rehabilitation Services*** Services that assist disabled individuals to become capable of pursuing a gainful occupation through services such as vocational counselling, planning, training, and job placement, and funding for tools, equipment, and transportation costs, among others.

**Legislative Authority:** Vocational Rehabilitation Services Act.

## Facility-Based Care for Persons with Developmental Disabilities

***Schedule I Facilities*** The Ministry directly operates these residential facilities for persons with developmental disabilities. They are located throughout the province and range in size from 100 to 950 residents. A full range of residential, highly specialized treatment and training programs and services is provided. Some of the residents may live in facility-operated satellite group homes or approved community residences.

**Legislative Authority:** Developmental Services Act.

***Schedule II Facilities*** These facilities, also known as community resource centres, are managed and operated by community boards and provide a full range of specialized treatment and training programs, recreational and social activities, and residential services.

**Legislative Authority:** Developmental Services Act.

## Child Care

***Centre-Based Care*** Services include Ministry-licensed group-care programs that provide temporary care for more than five children, not of common parentage, under 12. Care for handicapped children may be provided up to 18 years of age. Also included are services more commonly known as day care centres and

nursery schools. Centres are often located in a workplace, church, school, or community centre or in independent facilities.

**Legislative Authority:** Day Nurseries Act.

***Private Home Care*** Care provided by persons who choose to offer child care in their homes, under the supervision of an agency, for five or fewer children under the age of 12. Agencies that provide support and supervision to care providers must be licensed by the Ministry. When there is no link to an agency, care in a private home for five children or fewer is considered to be an unlicensed, informal arrangement between the provider and parents.

**Legislative Authority:** Day Nurseries Act.

***Financial Subsidies to Parents*** Parents with demonstrated financial need or who have children with disabilities may receive financial assistance towards the cost of formal child care services. A needs-test approach is currently used for determining whether a family is eligible for subsidy. The needs test is administered by the municipality or an approved corporation. The Ministry intends to replace the needs test with an income test in the near future.

**Legislative Authority:** Day Nurseries Act.

***Support Services*** Community programs and activities intended to support parents, their children, and care-givers in formal or informal arrangements. Services include resource centres that may offer care-giver registries, toy lending libraries, telephone support for "latch-key" children, drop-in centres, parenting workshops, and information and referral services.

**Legislative Authority:** Day Nurseries Act.

## Community-Based Support Services

### Accommodation with Care

***Municipal Homes for the Aged*** Residential and extended care services for elderly persons who cannot live independently in

the community. Services include accommodation, meals, support services, medical or nursing care, companionship, recreation, socialization, and administrative services.

**Legislative Authority:** Homes for the Aged and Rest Homes Act.

***Charitable Homes for the Aged*** Charitable Homes for the Aged are managed and operated by religious or charitable non-profit corporations. Like municipal Homes for the Aged, they provide residential and extended care and support services for elderly persons who cannot live independently in the community.

**Legislative Authority:** Charitable Institutions Act.

***Community Accommodation for Persons with Developmental Disabilities*** Residential accommodation is provided by approved corporations in community settings for children and adults with developmental disabilities, in conjunction with other support services such as day programs and lifeskills.

**Legislative Authority:** Homes for Retarded Persons Act.

***Domiciliary Hostels*** Privately owned residential premises in which long-term accommodation and care are provided to socially disadvantaged persons.

**Legislative Authority:** General Welfare Assistance Act.

## **Transitional Care**

***Halfway Houses/Rehabilitation Programs*** Short-term accommodation and rehabilitation programs operated by non-profit organizations with the goals of community integration and independence for substance abusers, ex-offenders, and socially disadvantaged persons.

**Legislative Authority:** Charitable Institutions Act, Ministry of Community and Social Services Act.

## **Emergency Housing**

***Emergency Shelter and Assistance Program*** Service introduced by the Ministry in 1982 to assist voluntary organizations such as churches to provide food and shelter to persons in need during the winter months.

**Legislative Authority:** General Welfare Assistance Act.

**Family Violence Shelter/Counselling** Supportive counselling services for victims of family violence. Includes telephone lines; psychological counselling to batterers, victims and children; education and legal counselling; economic support and accommodation counselling; and appropriate referrals to other community services. Services are generally offered as part of specialized emergency shelter services for victims of family violence, which are located throughout the province and generally operated by the voluntary sector or as part of other emergency services.

**Legislative Authority:** General Welfare Assistance Act, Ministry of Community and Social Services Act.

**Hostels** Emergency or short-term shelter for persons and families in need, operated by municipalities and charitable organizations.

**Legislative Authority:** General Welfare Assistance Act.

### **Home-Based Care**

**Homemakers and Nurses Services** Services provided by municipalities in order to assist and maintain the quality of family life during illness or absence of a parent or guardian. These services assist elderly, convalescent, chronically ill, or otherwise disabled persons to remain in their homes whenever possible. Services include child care, meal planning, cleaning, laundry, personal care, bedside care, household management, and nursing services. Services are usually provided on a visitation basis.

**Legislative Authority:** Homemakers and Nurses Services Act.

**Integrated Homemaker Program** Program implemented on a pilot basis in 1986 to provide homemaking and personal care services to frail elderly and physically disabled adults. The program is funded through the Homemakers and Nurses Services Act and delivered through the Ministry of Health Home Care Program. In this way, homemaker services to elderly and handicapped persons are delivered via one service provider and are based on the same eligibility criteria. Currently the program exists in 18 locations across the province.

**Legislative Authority:** Homemakers and Nurses Services Act.



**Home Support Services** A wide variety of non-profit agencies, municipalities, Indian bands, Elderly Persons' Centres, and Homes for the Aged provide services to help seniors remain in their own home. The services include such programs as meals-on-wheels, respite care, senior day care program, home help, home maintenance, friendly visiting, security checks, and volunteer transportation.

**Legislative Authority:** Ministry of Community and Social Services Act.

**Attendant Care** Personal care assistance provided to physically disabled adults under the age of 65 who are living in the community, usually in a group home or in non-profit apartment complexes (referred to as support service living units). On-site staff provide any necessary personal care services and assist in activities such as laundry, housekeeping, shopping, and banking. The Outreach program provides attendant care to persons who live outside of designated support service living units.

**Legislative Authority:** Ministry of Community and Social Services Act.

**Support Services for Persons with Developmental Disabilities** A wide range of services are provided through purchase-of-service arrangements for developmentally disabled children and adults, including community living courses, infant stimulation, parent relief, behaviour management, supported independent living, services to clients in Homes for Special Care, and special services for children at home or in community residential care. Through purchase-of-service agreements, agencies employ Adult Protective Service Workers, who provide an advocacy function on behalf of developmentally disabled adults who live independently in the community. Workers assist in finding suitable accommodation, instruction in life skills, counselling, and emotional support.

**Legislative Authority:** Developmental Services Act.

**Lifeskills** Services are provided to persons with developmental disabilities to assist them to live and work more independently.

**Legislative Authority:** Developmental Services Act.

## **Community/Family Support**

### *Community and Neighbourhood Support Services Program*

Core funding to community-based organizations that provide services such as drop-in centres, home support, case management, and adult education in order to strengthen local services.

**Legislative Authority:** Ministry of Community and Social Services Act.

*Elderly Persons' Centres* Non-residential drop-in centres operated by municipalities and non-profit corporations that provide social, recreational, and home support services to assist seniors to remain active and independent in the community.

**Legislative Authority:** Elderly Persons' Centres Act.

## **Counselling**

Services provide information, advice, or guidance to individuals and families who are in crisis, coping with changing circumstances, or experiencing personal difficulties.

**Legislative Authority:** General Welfare Assistance Act.

Originally intended to support individuals and families in their efforts to leave income support programs, programs now serve ex-offenders and offer employment counselling, credit counselling, family or marital counselling, lifeskills training, and house management training, among others. The Ministry also funds informal counselling through the Community and Neighbourhood Support Services Program, Child Care Resource Centres, Elderly Persons' Centres, and emergency shelters. In addition, some community mental health services are funded by the Ministry of Health.

**Legislative Authority:** Ministry of Community and Social Services Act.

## **Information/Referral**

Locally based services such as Community Information Centres, which provide telephone or in-person information regarding community services to the public and make appropriate referrals.

**Legislative Authority:** not applicable.



*Appendix H*

**Provincial-Municipal  
Expenditures for the 1986  
Calendar Year and the  
1988 - 1989 Provincial  
Fiscal Year**

Provincial-Municipal Expenditures for the  
1986 Calendar Year and the 1988-89 Provincial Fiscal Year

PROGRAM DESCRIPTION	1986 ACTUAL EXPENDITURES (\$)			1988-89 ACTUAL EXPENDITURES (\$)			Estimated Federal Reimbursement (\$000)
	Municipal Share	%	Provincial Share	%	Municipal Share	%	Total
<b>I Children's Services</b>							
Child and Family Intervention Services							
- Operating	0	0.0	116,787,396	100.0	0	0.0	142,423,223
- Capital	0	0.0	3,722,192	100.0	0	0.0	6,113,927
Community and Support Services	0	0.0	11,188,488	100.0	0	0.0	12,643,257
Child Treatment Services	0	0.0	13,688,474	100.0	0	0.0	16,203,911
Children's Services - Administration/ Direct Operating Expenditures	0	0.0	61,591,917	100.0	0	0.0	64,784,944
Sub-Total	0	0.0	206,978,467	100.0	0	0.0	242,169,262
Young Offenders Services							
- Operating	0	0.0	38,855,800	100.0	0	0.0	44,875,101
- Capital	0	0.0	0	0.0	0	0.0	3,361,227
Sub-Total	0	0.0	38,855,800	100.0	0	0.0	48,236,328
Child Welfare Services - Protection/Adoption							
Children's Aid Societies							
- Operating	43,352,517	18.9	185,802,828	81.1	52,731,155	18.8	281,152,855
- Capital	0	0.0	575,742	100.0	100,000	9.9	1,006,023
Native							
- Operating	0	0.0	4,579,803	100.0	0	0.0	5,980,781
- Capital	0	0.0	1,109,795	100.0	0	0.0	0
Child Abuse Register	0	0.0	0	0.0	0	0.0	2,798,243
Children's Services Coordinating and Advisory Groups	0	0.0	1,606,331	100.0	0	0.0	1,626,500
Child Welfare Municipal Grants	4,914	50.0	4,914	50.0	0	0.0	0
Non-Shared Grants	1,818,889	100.0	0	0.0	290,945	100.0	290,945
Sub-Total	45,176,320	18.9	193,679,413	81.1	53,122,100	18.1	292,855,347
							124,441



Provincial-Municipal Expenditures for the  
1986 Calendar Year and the 1988-89 Provincial Fiscal Year (continued)

PROGRAM DESCRIPTION	1986 ACTUAL EXPENDITURES (\$)			1988-89 ACTUAL EXPENDITURES (\$)			Estimated Fiscal Reimbursement (\$000)
	Municipal Share	%	Total	Municipal Share	%	Total	
<b>II Income and Employment Support</b>							
Family Benefits							
- Allowances	0	0.0	1,005,467,942	0	0.0	1,355,484,432	634,195
- Benefits	0	0.0	55,164,100	0	0.0	81,955,193	39,718
- Administration	0	0.0	41,569,423	0	0.0	55,536,391	25,416
General Welfare Assistance							
- Allowances	82,429,705	17.6	385,295,708	106,351,417	17.6	496,969,959	331,285
- Benefits	0	0.0	22,157,900	0	0.0	26,564,304	13,840
- Administration	42,719,571	50.0	42,719,571	50,189,800	45.9	59,167,545	50,025
Non-Shared Administration	17,016,871	100.0	17,016,871	22,393,200	100.0	22,393,200	-
Special Assistance	11,678,280	50.0	11,678,280	24,350,100	50.0	48,700,200	-
Supplementary Aid	2,596,103	20.0	10,384,398	5,289,275	20.0	21,157,100	-
Municipal Employment Program (MEP)	1,424,018	21.2	5,290,540	2,389,408	21.3	8,841,336	-
Work Activity Projects	470,604	20.0	1,882,417	733,700	23.0	2,459,604	1,415
Non-Shared Grants	788,165	100.0	0	609,900	100.0	0	-
Ministry Employment Programs (EOP and EAP)							
Vocational Rehabilitation Services							
- Disabled	0	0.0	3,667,606	0	0.0	4,452,971	635
- Training Expenses	0	0.0	13,234,324	0	0.0	16,296,320	7,440
Sheltered Workshops							
- Physically Disabled							
- Operating	0	0.0	14,496,273	0	0.0	15,175,938	5,875
- Developmentally Disabled							
- Operating	0	0.0	31,785,347	0	0.0	35,414,185	16,966
- Capital	0	0.0	0	0	0.0	1,589,824	-
Sub-Total	159,123,317	8.8	1,644,797,879	212,306,800	8.7	2,238,406,047	1,144,892

## Provincial-Municipal Expenditures for the

PROGRAM DESCRIPTION	1986 ACTUAL EXPENDITURES (\$)			1988-89 ACTUAL EXPENDITURES (\$)			Estimated Federal Reimbursement (\$'000)
	Municipal Share	%	Total	Municipal Share	%	Total	
<b>III Facility-Based Care for Persons with Developmental Disabilities</b>							
Developmental Services							
- Schedule I Facilities							
- Operating	0	0.0	239,009,434	0	0.0	258,156,516	258,156,516
- Capital				0	0.0	3,000,973	3,000,973
- Schedule II Facilities							
- Operating and Capital	0	0.0	45,492,472	0	0.0	58,309,973	58,309,973
Sub-Total	0	0.0	284,501,906	0	0.0	319,467,462	319,467,462
<b>IV Child Care</b>							
Municipal Child Care							
- Operating	23,239,471	19.8	94,338,673	80.2	117,578,144	139,817,617	139,817,617
- Capital	96,522	20.0	386,088	80.0	482,610	579,132	579,132
Non-Shared Administration	197,009	100.0	0	0.0	197,009	197,009	197,009
Non-Shared Grants	2,016,632	100.0	0	0.0	2,016,632	2,016,632	2,016,632
Approved Corporations							
- Operating	0	0.0	20,227,962	100.0	20,227,962	20,227,962	20,227,962
- Capital	0	0.0	4,123,369	100.0	4,123,369	4,123,369	4,123,369
Child Care - Developmentally Disabled							
- Operating	0	0.0	12,263,109	100.0	12,263,109	12,263,109	12,263,109
- Capital	0	0.0	0	0.0	0	0	0
Direct Operating Grants							
- Capital	0	0.0	0	0.0	0	0	0
Child Care Other							
- Start-up, Resource Centres							
- Employment Support Initiatives							
Ministry Administration	0	0.0	0	0.0	0	0	0
Sub-Total	25,549,634	15.5	131,339,201	84.5	156,888,835	182,428,036	182,428,036

Provincial-Municipal Expenditures for the  
1986 Calendar Year and the 1988-89 Provincial Fiscal Year (continued)

PROGRAM DESCRIPTION	1986 ACTUAL EXPENDITURES (\$)				1988-89 ACTUAL EXPENDITURES (\$)				Estimated Federal Reimbursement (\$000)
	Municipal Share	%	Provincial Share	Total	Municipal Share	%	Provincial Share	Total	
<b>V Community-Based Support Services</b>									
<b>Accommodation with Care</b>									
Municipal Homes for the Aged									
- Operating	38,977,598	16.6	196,507,773	235,485,371	86,363,000	25.2	255,842,498	74.8	343,205,498
- Capital	15,132,107	50.0	15,132,107	30,264,214	8,067,500	28.1	20,667,914	71.9	28,735,414
Non-Shared Administration	230,036	100.0	0	230,036	636,500	100.0	0	0.0	636,500
Charitable Homes for the Aged									
- Operating	0	0.0	61,343,577	61,343,577	0	0.0	75,615,276	100.0	75,615,276
- Capital	0	0.0	5,721,910	5,721,910	0	0.0	4,642,657	100.0	4,642,657
Community Accommodation for Developmentally Disabled Adults (Homes for Retarded Persons)									
- Operating	0	0.0	66,151,155	66,151,155	0	0.0	81,394,204	100.0	81,394,204
- Capital	0	0.0	2,391,063	2,391,063	0	0.0	5,918,604	100.0	5,918,604
- Children	0	0.0	24,938,078	24,938,078	14,500	0.1	33,347,645	99.9	33,362,145
Domiciliary Hostels	3,901,288	20.0	15,605,153	19,506,441	3,449,000	8.1	39,811,789	91.9	43,310,789
Non-Shared Grants					224,000	100.0	0	0.0	224,000
Sub-Total	58,241,029	13.1	387,790,816	446,031,845	98,804,500	16.0	518,240,587	84.0	617,045,087
<b>Transitional Care</b>									
Halfway Houses - Drug and Alcohol Rehabilitation									
- Operating	0	0.0	5,898,078	5,898,078	0	0.0	5,926,580	100.0	5,926,580
- Capital	0	0.0	0	0	0	0.0	2,856,875	100.0	2,856,875
Sub-Total	0	0.0	5,898,078	5,898,078	0	0.0	8,783,455	100.0	8,783,455
<b>Emergency Housing</b>									
Hostels:									
- Emergency Shelter and Assistance Program (ESAP)	3,901,288	20.0	15,605,153	19,506,441	201,100	12.4	1,423,011	87.6	1,624,111
Non-Shared Grants	378,608	100.0	0	378,608	0	0.0	0	0.0	0
Sub-Total	4,279,896	21.5	15,605,153	19,885,049	201,100	12.4	1,423,011	87.6	1,624,111

## Provincial-Municipal Expenditures for the

PROGRAM DESCRIPTION	1986 ACTUAL EXPENDITURES (\$)			1988-89 ACTUAL EXPENDITURES (\$)			Estimated Federal Reimbursement (\$'000)				
	Municipal Share	%	Provincial Share	Total	%	Municipal Share		Total	%		
<b>Home-Based Care</b>											
Homemakers and Nurses Services	2,289,461	17.3	10,908,988	82.7	13,198,449	3,517,800	18.7	15,341,851	81.3	18,859,651	8,837
Non-Shared Administration	12,454	100.0	0	0.0	12,454	74,400	100.0	0	0.0	74,400	-
Non-Shared Grants	64,868	100.0	0	0.0	64,868	80,500	100.0	0	0.0	80,500	-
Integrated Homemaker Program	0	0	3,621,951	100.0	3,621,951	0	0.0	34,809,185	100.0	34,809,185	8,543
Home Support Services	4,128,884	27.6	10,823,570	72.4	14,952,454	3,917,800	9.3	38,065,648	90.7	41,983,448	10,067
Non-Shared Grants	2,225,530	100.0	0	0.0	2,225,530	756,400	100.0	0	0.0	756,400	-
Attendant Care - Physically Disabled	0	0.0	12,436,133	100.0	12,436,133	0	0.0	23,934,954	100.0	23,934,954	9,000
Protective Service Worker Program	0	0.0	5,661,836	100.0	5,661,836	0	0.0	6,643,719	100.0	6,643,719	2,764
Support Services for Persons with Developmental Disabilities	0	0.0	67,567,003	100.0	67,567,003	0	0.0	104,769,665	100.0	104,769,665	18,028
Lifeskills for Persons with Developmental Disabilities	0	0.0	20,927,447	100.0	20,927,447	0	0.0	34,918,641	100.0	34,918,641	9,344
Sub-Total	8,721,197	6.2	131,946,928	93.8	140,668,125	8,346,900	3.1	258,483,663	96.9	266,830,563	66,583
<b>Community/Family Support</b>											
Community and Neighbourhood Resource Centres	2,690,742	53.8	2,312,539	46.2	5,003,281	609,900	7.9	7,132,689	92.1	7,742,589	1,392
Non-Shared Grants	1,704,152	100.0	0	0.0	1,704,152	1,477,300	100.0	0	0.0	1,477,300	-
Elderly Persons' Centres											
- Operating	3,073,522	63.2	1,792,618	36.8	4,866,140	2,874,100	41.2	4,094,336	58.8	6,968,436	-
- Capital	3,123,008	77.0	933,175	23.0	4,056,183	1,400	0.1	1,050,635	99.9	1,052,035	-
Non-Shared Grants	0	0.0	0	0.0	0	2,238,900	100.0	0	0.0	2,238,900	-
Sub-Total	10,591,424	22.8	35,874,488	77.2	46,465,912	7,201,600	37.0	12,277,660	63.0	19,479,260	1,392

Provincial-Municipal Expenditures for the  
1986 Calendar Year and the 1988-89 Provincial Fiscal Year (continued)

PROGRAM DESCRIPTION	1986 ACTUAL EXPENDITURES (\$)				1988-89 ACTUAL EXPENDITURES (\$)				Estimated Federal Reimbursement (\$'000)
	Municipal Share	%	Provincial Share	Total	Municipal Share	%	Provincial Share	Total	
<b>Counselling Services</b>									
Counselling for Victims of Family Violence									
- Ministry Purchase of Counselling Services					333,300	1.4	23,746,200	98.6	24,079,500
- Municipal Purchase of Counselling Services	0	0.0	0	0	1,800	0.4	409,100	99.6	410,900
Non-Shared Grants	819,775	100.0	0	819,775	899,400	100.0	0	0.0	899,400
Municipal Purchase of Counselling Services (GVA)	1,424,018	21.2	5,290,540	6,714,558	1,157,000	13.0	7,730,676	87.0	8,887,676
Ministry Purchase of Counselling Services (Other)	0	0.0	32,134,845	32,134,845	0	0.0	7,316,423	100.0	7,316,423
Credit Counselling	0	0.0	1,467,726	1,467,726	1,000	0.1	1,752,901	99.9	1,753,901
Sub-Total	2,243,793	5.5	38,893,111	41,136,904	2,392,500	5.5	40,955,300	94.5	43,347,800
<b>Information and Referral Services</b>									15,985
	396,185	100.0	0	396,185	947,400	100.0	0	0.0	947,400
Sub-Total	396,185	100.0	0	396,185	947,400	100.0	0	0.0	947,400
<b>Municipal Non-Shared Administration/Grants</b>									--
Municipal Non-Shared Administration	19,183	100.0	0	19,183	1,120,200	100.0	0	0.0	1,120,200
Municipal Non-Shared Grants	4,679,256	100.0	0	4,679,256	7,955,700	100.0	0	0.0	7,955,700
Sub-Total	4,698,439	100.0	0	4,698,439	9,075,900	100.0	0	0.0	9,075,900
<b>Ministry Administration/Grants</b>									--
Ministry Other Programs/Grants	0	0.0	2,540,671	2,540,671	0	0.0	518,106	100.0	518,106
Ministry Administration - Direct Operating Expenditures									
- Adult Services	0	0.0	14,236,269	14,236,269	0	0.0	15,477,634	100.0	15,477,634
- Program Administration	0	0.0	20,390,570	20,390,570	0	0.0	33,883,482	100.0	33,883,482
- Field Administration	0	0.0	11,080,492	11,080,492	0	0.0	25,204,422	100.0	25,204,422
- All Other Ministry Administration	0	0.0	33,755,989	33,755,989	0	0.0	41,315,645	100.0	41,315,645
Sub-Total	0	0.0	82,003,991	82,003,991	0	0.0	116,399,289	100.0	116,399,289
<b>Total</b>	319,022,234	9.2	3,167,329,820	3,486,351,399	429,009,600	9.0	4,311,701,136	91.0	4,740,710,736
<b>Net Expenditures</b>	--	--	--	--	429,009,600	9.0	2,728,815,136	57.6	1,582,886 <sup>a</sup>

<sup>a</sup> The net federal percentage of expenditures is 33.4%.





*Appendix I*

**Financial Impacts on  
Upper-Tier Municipal  
Governments for 1988-89  
Expenditures on the Basis  
of Service Management  
Recommendations**

# Financial Impacts on Upper-Tier Municipal Governments for 1988-89 Expenditures on the Basis of Service Management Recommendations

	ACTUAL EXPENDITURES 1988-89				PROPOSAL 1				PROPOSAL 2			
					Cost-Shared 25% - 75% <sup>a</sup>				Cost-Shared 25% - 75% <sup>a</sup> Including Income Support Administration			
	Municipal				Municipal				Municipal			
	Per Household (\$)	Total (\$'000)	Provincial (\$'000)	Total (\$'000)	Per Household (\$)	Total (\$'000)	Provincial (\$'000)	Total (\$'000)	Per Household (\$)	Total (\$'000)	Provincial (\$'000)	Total (\$'000)
Metropolitan Toronto Increase/(Decrease)	181	156,059.8	629,282.8	785,342.6	106	91,002.8 (65,057)	694,339.8		124	106,942.9 (49,116.9)	678,399.7	
<b>Regional Governments</b>												
Durham	104	12,739.7	63,834.5	76,574.2	85	10,383.4	66,190.8		96	11,660.2	64,914.0	
Haldimand/Norfolk	98	3,592.8	13,737.6	17,330.4	76	2,790.5	14,539.9		85	3,138.9	14,191.5	
Halton	75	7,314.8	31,350.0	38,664.8	69	6,762.9	31,901.9		74	7,244.1	31,420.7	
Hamilton/Wentworth	116	19,265.0	97,900.0	117,165.5	76	12,682.0	104,483.5		91	15,175.2	101,989.3	
Muskoka	41	1,464.2	9,461.1	10,925.3	44	1,594.4	9,330.9		49	1,759.8	9,165.5	
Niagara	86	12,461.5	79,156.5	91,618.0	93	13,554.3	78,063.7		104	15,059.9	76,558.1	
Ottawa-Carleton	164	41,049.9	184,527.5	225,577.4	94	23,541.8	202,035.6		114	28,618.3	196,959.1	
Peel	64	12,856.8	63,323.5	76,180.3	53	10,691.5	65,488.8		59	11,980.0	64,200.3	
Waterloo	92	11,546.3	64,030.1	75,576.4	75	9,467.4	66,109.0		85	10,651.2	64,925.2	
York	54	6,920.0	47,661.2	54,581.2	68	8,690.6	45,890.6		73	9,396.1	45,185.1	
Sub-Total Increase/(Decrease)		129,210.1	654,982.1	784,192.2		100,158.8 (29,052.7)	684,033.4			114,683.7 (14,527.8)	669,508.5	
<b>County Governments</b>												
Brant	108	4,185.1	24,571.1	28,756.2	96	3,715.2	25,041.0		113	4,359.1	24,397.1	
Bruce	53	1,640.8	11,982.2	13,623.0	65	2,032.0	11,591.0		72	2,221.5	11,401.5	
Dufferin	98	1,234.7	6,483.3	7,718.0	116	1,454.5	6,263.5		123	1,549.9	6,168.1	
Elgin	96	2,570.3	11,673.5	14,243.8	92	2,465.2	11,777.8		101	2,693.0	11,550.8	
Essex	146	17,805.3	66,686.5	84,491.8	72	8,825.4	75,666.4		88	10,686.3	73,805.5	

<sup>a</sup> Employment support programs for income support clients are cost-shared on the current basis in the funding models.

# Financial Impacts on Upper-Tier Municipal Governments for 1988-89 Expenditures on the Basis of Service Management Recommendations (continued)

	ACTUAL EXPENDITURES 1988-89				PROPOSAL 1				PROPOSAL 2			
					Cost-Shared 25% - 75% <sup>a</sup>				Cost-Shared 25% - 75% <sup>a</sup> Including Income Support Administration			
	Municipal				Municipal				Municipal			
	Per Household (\$)	Total (\$000)	Provincial (\$000)	Total (\$000)	Per Household (\$)	Total (\$000)	Provincial (\$000)	Total (\$000)	Per Household (\$)	Total (\$000)	Provincial (\$000)	Total (\$000)
Frontenac	70	3,826.9	36,883.3	40,710.2	132	7,253.1	33,457.1		142	7,777.2	32,933.0	
Grey	56	1,981.0	13,516.1	15,497.1	53	1,896.6	13,600.5		62	2,195.9	13,301.2	
Haliburton	24	444.2	3,271.3	3,715.5	32	575.6	3,139.9		36	662.8	3,052.7	
Hastings	63	3,026.9	22,351.4	25,378.3	65	3,114.2	22,264.1		75	3,611.2	21,767.1	
Huron	78	1,878.3	11,405.1	13,283.4	93	2,236.2	11,047.2		99	2,376.3	10,907.1	
Kent	84	3,456.0	18,144.4	21,600.4	67	2,740.6	18,859.8		78	3,200.7	18,399.7	
Lambton	95	4,641.2	19,794.3	24,435.5	73	3,582.9	20,852.6		83	4,055.1	20,380.4	
Lanark	137	3,138.0	14,674.4	17,812.4	131	3,006.5	14,805.9		137	3,147.2	14,665.2	
Leeds and Grenville	49	1,884.8	18,012.4	19,897.2	71	2,719.2	17,178.0		79	3,031.1	16,866.1	
Lennox and Addington	43	645.0	5,034.7	5,679.7	48	718.7	4,961.0		56	836.9	4,842.8	
Middlesex	106	14,745.1	73,031.4	87,776.5	73	10,095.8	77,680.7		86	12,021.1	75,754.4	
Northumberland	164	4,796.8	12,517.7	17,314.5	105	3,081.1	14,233.4		113	3,317.8	13,996.7	
Oxford	74	2,315.4	12,144.3	14,459.7	67	2,096.3	12,363.4		77	2,395.7	12,064.0	
Perth	50	1,225.2	10,938.7	12,163.9	85	2,094.6	10,069.3		92	2,272.7	9,891.2	
Peterborough	136	7,217.4	28,625.8	35,843.2	114	6,016.0	29,827.2		120	6,356.7	29,486.5	
Prescott and Russell	129	2,780.2	14,331.8	17,112.0	88	1,890.7	15,221.3		102	2,199.2	14,912.8	
Prince Edward	37	367.7	3,254.9	3,622.6	48	487.1	3,135.5		56	562.9	3,059.7	
Renfrew	141	5,574.7	22,916.1	28,490.8	147	5,819.9	22,670.9		154	6,102.5	22,388.3	
Simcoe	45	4,942.3	41,794.0	46,736.3	70	7,729.4	39,006.9		77	8,526.4	38,209.9	
Stormont, Dundas and Glengary	102	3,951.5	24,441.3	28,392.8	98	3,816.0	24,576.8		113	4,393.1	23,999.7	
Victoria	36	1,043.2	7,943.5	8,986.7	43	1,264.7	7,722.0		50	1,447.3	7,539.4	
Wellington	64	3,420.1	23,193.6	26,613.7	77	4,125.3	22,488.4		85	4,541.5	22,072.2	
Sub-Total		104,736.8	559,617.1	664,353.9		94,852.8	569,501.1			106,541.1	557,812.8	
Increase/(Decrease)						(9,885.4)				1,802.9		

<sup>a</sup> Employment support programs for income support clients are cost-shared on the current basis in the funding models.

Financial Impacts on Upper-Tier Municipal Governments  
for 1988-89 Expenditures on the Basis  
of Service Management Recommendations (continued)

Districts	ACTUAL EXPENDITURES 1988-89				PROPOSAL 1				PROPOSAL 2			
	Municipal		Provincial		Municipal		Provincial		Municipal		Provincial	
	Per Household (\$)	Total (\$000)	Per Household (\$)	Total (\$000)	Per Household (\$)	Total (\$000)	Per Household (\$)	Total (\$000)	Per Household (\$)	Total (\$000)	Per Household (\$)	Total (\$000)
Algonia	124	5,982.3		37,459.6	106	5,105.4		38,336.5	125	6,039.8		37,402.1
Cochrane	111	3,713.2	24,108.0	27,821.2	110	3,673.0	24,148.2		128	4,250.4	23,570.8	
Kenora	170	2,612.6	22,850.0	25,462.6	189	2,902.0	22,560.6		203	3,117.6	22,345.0	
Manitoulin	24	116.7	2,919.3	3,036.0	123	587.5	2,448.5		133	635.6	2,400.4	
Nipissing	100	2,955.6	21,566.2	24,521.8	134	3,937.7	20,584.1		151	4,463.7	20,058.1	
Parry Sound	74	1,747.5	9,829.3	11,576.8	70	1,661.6	9,915.2		80	1,894.6	9,682.2	
Rainy River	248	2,024.4	9,727.4	11,751.8	222	1,816.7	9,935.1		234	1,912.4	9,839.4	
Sudbury	107	7,032.7	41,901.7	48,934.4	73	4,778.7	44,155.7		88	5,795.1	43,139.3	
Thunder Bay	204	11,470.9	45,624.4	57,095.3	157	8,851.0	48,244.3		172	9,686.1	47,409.2	
Timiskaming	89	1,347.3	7,051.8	8,399.1	65	978.2	7,420.9		78	1,183.1	7,216.0	
Sub-Total		39,012.9	223,037.7	262,040.6		34,291.8	227,748.8			38,978.4	223,062.2	
Increase/(Decrease)						(4,711.4)				(24.8)		
<b>Total</b>		429,002.1	2,066,919.7	2,495,929.8		320,306.2	2,175,623.6			367,146.1	2,128,783.7	
<b>Increase/(Decrease)<sup>b</sup></b>						(108,706.5)				(61,866.6)		
<b>Average Municipal Expenditure per Household</b>	118				88				101			

<sup>a</sup> Employment support programs for income support clients are cost-shared on the current basis in the funding models.

<sup>b</sup> Financial offsets would have to be found outside social service funding transfers to maintain the same balance in provincial and municipal funding obligations under the zero-sum strategy.



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*Appendix K*

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<b>M C S S</b>	Trinela Cane Joel Clodman Mark Hallas Rochelle Henderson Kathy Kestides Sam Mandel Nancy Matthews Faye More Graham Mudge

John Nywening  
Barbara Wiggins

**Support Staff:** Deirdre Heaslip  
Lisa Jacobs  
Marina Masiera  
Linda Morgan  
Shaun Noble

**Editors/Writers:** Barbara Czarnecki  
Cheryl Hamilton  
Anne Holloway  
Christine Purden

**Design:** Public Good







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